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NSAA

NATIONAL SKI AREAS ASSOCIATION

ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS

by
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Business Research Division
Graduate School of Business Administration
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ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS
1979-80

EXECUTIVE SUMMARY

This 1979-80 survey is the twelfth economic report to the ski industry. The data represent ski areas possessing approximately 50 percent of the ski area capacity of the nation. If the balance of the areas had similar experiences, the ski industry accommodated 47 million skier visits, processed gross revenues of $754 million, and provided payrolls of $167 million.

This report follows the format of the previous reports to increase comparability and standardize measurements.

Response

The 1979-80 survey is based on complete and detailed financial data from 131 ski areas, a 6 percent increase from the 1978-79 study.

Profitability

The ski industry recorded an average 12.1 percent operating profit as a return on Gross Fixed Assets, down slightly from 13.8 percent in 1978-79 and 16.2 percent in 1977-78. Seventy-four percent of the respondents reported profits. The average before tax profit was $348,176.

Utilization

Utilization increased slightly to 47.9 percent. Equivalent days/nights of operation were down substantially to 113.

Revenue

Average revenue per skier-visit increased 9.6 percent to $10.92. Average total revenue was up 8.8 percent to $2,125,000. This gain, although modest, continues to illustrate a healthy trend.

Average adult weekend ski lift ticket prices were up 10.7 percent to $12.05.

Expenses

Cash operating costs averaged $3.63 per skier capacity per equivalent operating day/night. This critical measure is up 21.0 percent from the $3.00 of 1978-79.

Highlights At a Glance

		By Profitability		
	1979-80 Respondents (000)	Top Half (000)	Bottom Half (000)	Loss (000)
Gross Fixed Assets	$4,176	$5,595	$3,524	$3,053
Total Gross Revenue	2,879	4,883	2,135	1,052
Less: Operating Expenses	2,372	3,601	1,953	1,203
Operating Profit (Loss)	507	1,282	182	(151)
Less: Interest	159	196	157	107
Profit (Loss) Before Tax	$ 348	$1,086	$ 25	($ 258)
Number of Respondents	(131)	(49)	(48)	(34)

Summary

The 1979-80 ski season presented mixed results. Again while nation-wide profitability dipped slightly, the trends varied significantly by geographic region. New England ski areas recorded losses; other Eastern and Midwest areas were down; the Central Rockies ski areas enjoyed record returns; and the other Western areas were up.

The Eastern and Ontario ski areas recorded a 10.3 percent operating profit on gross fixed assets, the one bright spot in an otherwise disastrous Eastern winter. Such a performance, the result of continuous snowmaking in the face of snow drought conditions, was summed up by one enthusiastic New York operator who wrote, "If this is the worst nature can throw at us then we have won!"

Average profitability over the past five ski seasons, based on the measure operating profits on gross fixed assets, again increased slightly to 11.2 percent, but is still short of an adequate return for the risk.

THE SKI AREA DOLLAR

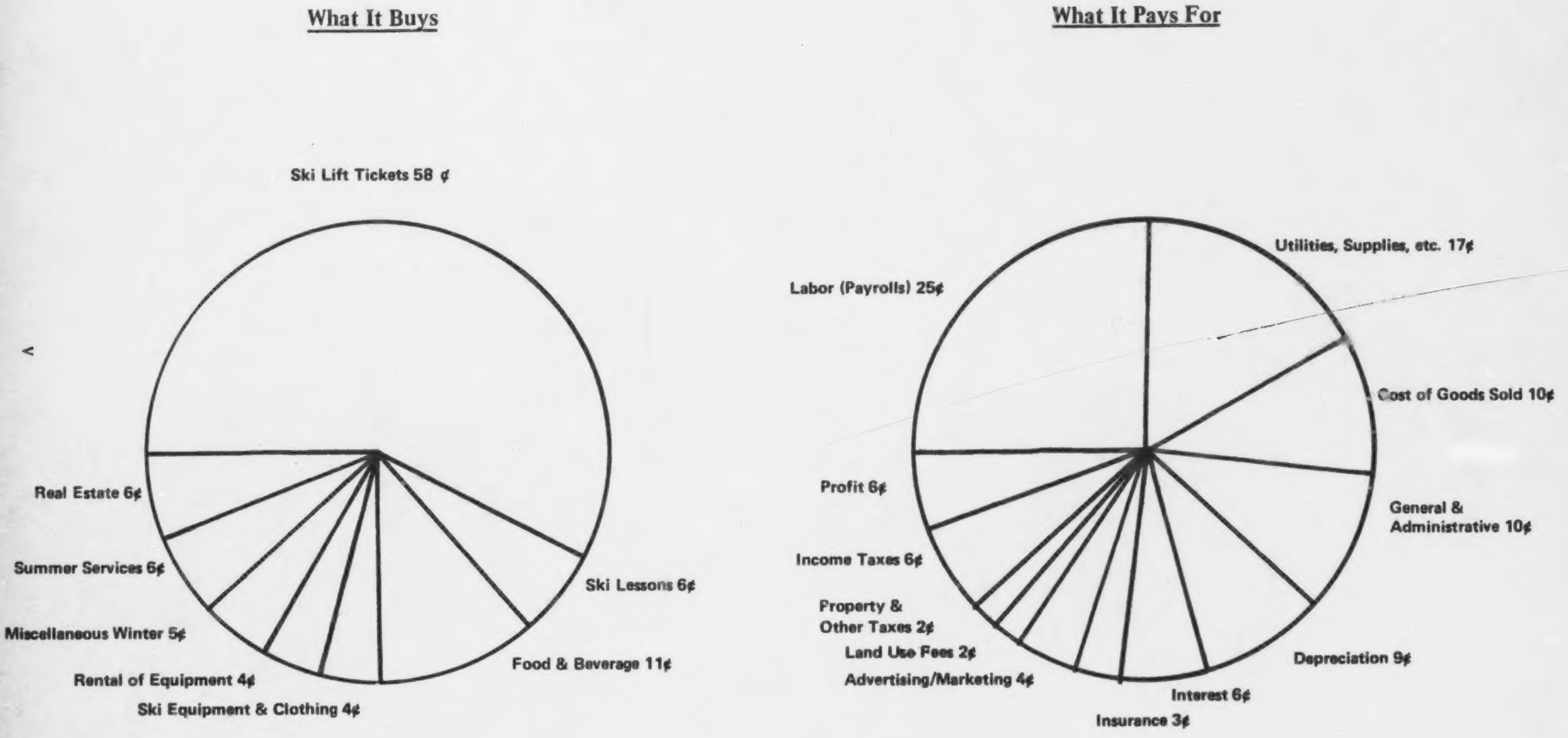
Table A and the following pie chart illustrate the sources and uses of the ski area customer's dollar for the 1979-80 season.

TABLE A

THE SKI AREA DOLLAR

	1976-77 Season	1977-78 Season	1978-79 Season	1979-80 Season
What It Buys				
Ski Lift Tickets	$ 0.54	$ 0.58	$ 0.58	$ 0.58
Ski Lessons	.06	.07	.06	.06
Food and Beverages	.12	.11	.12	.11
Ski Equipment and Clothing	.06	.05	.04	.04
Rental of Equipment	.05	.05	.05	.04
Miscellaneous (Winter)	.05	.04	.04	.05
Summer Services	.07	.06	.05	.06
Real Estate	.05	.04	.06	.06
	$ 1.00	$ 1.00	$ 1.00	$ 1.00
What It Pays For				
Labor (Payrolls)	$ 0.28	$ 0.23	$ 0.24	$ 0.25
Utilities, Supplies, Maintenance, etc.	.17	.16	.16	.17
Cost of Goods Sold	.11	.11	.12	.10
General and Administrative	.16	.11	.11	.10
Depreciation	.12	.08	.08	.09
Interest	.08	.05	.04	.06
Insurance	.05	.03	.04	.03
Advertising/Marketing	.05	.03	.03	.04
Land Use Fees	.01	.02	.02	.02
Property and Other Taxes	.02	.02	.02	.02
Income Taxes (50%)	-	.08	.07	.06
Profit (50%)	(.05)	.08	.07	.06
	$ 1.00	$ 1.00	$ 1.00	$ 1.00

THE SKI AREA DOLLAR
1979/80



Source: Table A.

COMMENTS FROM AROUND THE COUNTRY

NATIONAL SKI AREAS ASSOCIATION
Cal Conniff, Executive Director

If ever there was a season with a mixed bag of weather throughout ski regions of the country the 1979-80 season was it. Ski areas in the Southeast experienced a much more favorable weather pattern than ski areas in the Northeast; there was very little natural snow in the entire Northeast and Central regions; it was very cold and snowy in the Rockies; the Sierras got off to a late start with touch and go weather in Southern California; and to end the season with a bang in the Cascades, Mt. St. Helens blew up.

With large doses of determination, hard work, and most of all perseverance, ski area operators emerged from the season with varying degrees of success. Again, where snow cover and weather conditions were good, business was up over the previous best season–a clear indication of continuing enthusiasm in the skier market. The level of business activity ranged from average skier day counts up 6.5 percent in the Rockies to 25 percent down in the Northeast. According to a survey conducted by NSAA, the average skier day count nationally for 1979-80 was down by only 3.8 percent of the previous best season.

In those regions where snowfall was sparse the ability to make large amounts of snow was a critical factor. Some area operators in the snow drought regions of the Northeast and Central regions with extensive snowmaking systems were able to break even and in some cases show a profit. Holding the Olympics at Lake Placid on machine-made snow has proved to the public there can be good skiing with little assistance from Mother Nature.

Resiliency and optimism for the 1980-81 season was evident as area operators throughout the country spent over $130 million during the summer months on new or expanded snowmaking systems, new lifts, lodges, trails, and items not so noticeable to the public such as parking lots and sewage treatment plants. Three new ski areas will be opening up for the first time for the 1980-81 season.

Coping with inflation, the ever-increasing cost of doing business, and developing imaginative programs as marketing conditions change, continue to be a challenge for all ski areas operators. Keen competition for a share of the consumer's discretionary dollar mandates that ski area operators do everything possible to provide their customers with a total quality skiing experience.

VERMONT
George Donovan, Chief of Research, Agency of Development and Community Affairs, State of Vermont

Snowmaking equipment was the major factor in keeping ski areas operating through this 1979-80 season of very little natural snow. The total number of skier visits (alpine) is estimated at 2.1 million, some 34 percent less than for the 1978-79 season. Corresponding skier expenditures are estimated at $84 million compared to $109 million a year ago. Out-of-staters spent about $46 per day each, stayed an average of 3½ days, and averaged 3 persons per trip.

CENTRAL SKI AREAS ASSOCIATION

Ralph Smith, Executive Secretary

The state of the economy, weather and fuel supplies are major factors in the success or failure of any ski season. Any one factor can greatly affect the outcome of a season, but when a combination of two or more strike there is an even greater impact.

Lower Michigan ski areas experienced a poor snow season plus the effects of a serious economic downturn. Southern Wisconsin, Illinois, Indiana, Iowa and Ohio areas were in a similar situation although some ski areas were able to recover in time to close with reports of an average season. This mainly was achieved through good promotion efforts and weather conditions providing good natural snowfall or good snowmaking conditions.

Northern Wisconsin and Upper Michigan ski areas received more cooperation from the weather and were able to report an average to above average season thanks to better snow conditions.

There was no consistency in the reports out of Minnesota either. A late start to the season meant playing catch up. Some were able to report an average season by closing; other ski areas were not as fortunate.

Weather always has and always will have the greatest influence on the outcome of the season. The ski areas in this region with good snow, ended with good seasons without much affect from the economy. Poor snow conditions gave skiers caught in the economic squeeze another reason to stay off the slopes.

COLORADO SKI COUNTRY USA

Robert Knous, President

Setting yet another volume record, Colorado's 32 ski areas enjoyed excellent snowfall and weather throughout the 1979-80 season. Collectively, they sold 7,887,181 lift tickets, a 9.3 percent increase over the 1978-79 figure of 7,215,315. The average compiled seasonal snowfall this year amounted to 246 inches, compared to last year's record 247 inches.

Contributing to tourism, Colorado's fourth largest industry, skiing generated nearly $400 million during 1979-80, an increase of 17.6 percent from the previous year's $325.4 million. The ski industry represents roughly one-third of the tourism pie.

For the first time, Colorado's ski areas saw the largest monthly increases in volume during the traditional "shoulder" periods of November (up collectively 23.1 percent) and April (up 38.5 percent). This trend, while contributing to the overall volume record, points to a potential change in skier/vacationer patterns. Skiers and winter vacationers are gravitating to less crowded times of the season, causing a leveling of the peaks and valleys.

UTAH SKI ASSOCIATION

Raivo Puusemp, Executive Director

Predictably, the 1979-80 season in Utah was unpredictable. The snow came early and then held off until January when it hit hard and was consistent. Needless to say, December was not the best of months for the ski industry in Utah. However, for that period when good snow prevailed, Utah's 15 resorts chalked up a banner year, with skier days at an all time record for February and March throughout the state, in fact, some ski areas enjoyed the best season ever.

The Utah Skier is 50 percent destination and 50 percent local with Alta, Snowbird and Park City as the major destination resorts; with ski area accessibility and increased marketing, Salt Lake City has become a major "ski" destination and it logically follows that the four other ski areas surrounding Salt Lake City are being discovered by the out-of-state skier.

Based on the economic success of the majority of the 1979-80 season, Utah's resorts continue to develop their potential by increasing lift capacities, lodging units and skiable terrain at a rapid growth rate. The perspective on the ski industry in Utah is confident and optimistic as we anticipate continued growth and development.

PACIFIC NORTHWEST SKI AREAS ASSOCIATION

Mel Borgersen, Executive Director

Most ski areas in the Pacific Northwest had record attendance during the 1979-80 winter season, and reported the highest lift revenues in their history.

The overall winter lift revenues for 35 ski areas in Washington, Oregon, Western Idaho and British Columbia were 24.6 percent above those of the previous winter. The inflation factor was approximately 10 percent, which left a true growth of approximately 14 percent.

The largest increases in lift revenues were reported by 15 ski areas in British Columbia. Their overall increase was 39.0 percent. The second largest increase was reported by the Oregon ski areas with 29.6 percent. The gain in Western Idaho was 17.7 percent and in Washington, 8.3 percent.

The winter season was late in starting for most Pacific Northwest ski areas. However, good snow conditions in the latter part of December and for most of January, February and March, produced attendance figures which more than made up for the late start.

A suitable snow cover and favorable weather are major factors in the annual skier attendance and lift revenue for any ski area. As usual, the variations in attendance and lift revenues from ski area to ski area are quite dramatic, even with a relatively small geographic area.

There were 26 ski areas which reported increases in revenue, and 9 ski areas which reported decreases. The largest percentage increase was 106.1 percent and the largest percentage decrease was 72.0 percent. The largest dollar increase was $1.9 million and the largest dollar decrease was $210,000.

SIERRA SKI AREAS ASSOCIATION

Bob Roberts, Executive Director

The Winter of 1979-80 was erratic in the Sierra. Several areas received too much snow, a few particularly in the south were forced to make do with too little, while the rest enjoyed solid operating conditions.

Of the areas reporting gains, the attendance figures indicated an all over gain of approximately 10 percent. However, the shortfall of those areas with weather problems offset much of these gains. The total skier day visits were approximately 6.2 million.

PREFACE

The Business Research Division is pleased to present another edition of the NSAA Economic Analysis of North American Ski Areas in its tourism and recreation report series. The reader will find this study, covering the 1979-80 season, has followed the format of the previous reports for ease in comparison.

The 1979-80 ski season results turned out to be mixed because of unfavorable weather conditions in the Midwest and East which hampered those regions' performance. The best year was the 1977-78 season which saw uniformly good weather for skiing across the nation. However, one only has to go back to 1976-77 to find a bad year where many ski areas in the West were faced with a major snow drought. Readers are urged to utilize the 1979-80 data in conjunction with previous studies to obtain a more realistic picture of the industry over time.

The Economic Study Committee again asked the ski areas to identify themselves on the questionnaire, which made it possible to have a more efficient follow-up. Calls to areas for small bits of missing financial data enabled us to utilize the majority of the questionnaires, compute ratios, and do other types of analysis which are not possible when any key data elements are missing. Also, only areas that provided 12-month financial data were included so comparisons would be as meaningful and consistent as possible. The survey response resulted in 131 areas providing complete financial data.

Any comments, questions or suggestions for improvement of the survey should be directed to Charles R. Goeldner, Director, Business Research Division, University of Colorado, Campus Box 420, Boulder, Colorado 80309; or Peter Sullivan, Aspen Skiing Corporation, Aspen, Colorado 81611.

ACKNOWLEDGMENTS

This study would not have been possible without the help of many parties. Special acknowledgment is made to the NSAA Economic Study Committee: Peter Sullivan, Aspen Skiing Corporation, Chairman; Ted Farwell, Ted Farwell and Associates; Mel Borgersen, Borgersen and Associates; James Branch, Sno-engineering; Thor Groswold, Winter Park; Nick Hackstock, Copper Mountain; Bob Macdonald, Bridger Bowl; Doug Young, Waterville Valley; David Carto, Snow Trails; Glen Paulk, Steamboat; and Cal Conniff, NSAA, for their assistance with the development of the survey and its subsequent analysis. Members of the committee traveled great distances and gave generously of their time. While all contributed, special mention goes to Ted Farwell for his help in preparing the report and to Peter Sullivan and Cal Conniff for handling administrative details.

Special thanks go to Bob Duea, Nancy Cress, Karen Dicke and Gary Parker of the Business Research Division staff for their efforts in making computer runs, constructing tables, typing and printing against extremely tight deadlines.

Finally, our thanks go to the 131 ski area operators who furnished complete financial data and the additional 30 areas that provided comments, for without their participation the study would not exist.

C. R. Goeldner, Director
Business Research Division

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I

INTRODUCTION

This economic analysis of the ski industry represents the twelfth survey of the National Ski Areas Association (NSAA) members. Historically the first study was conducted by Sno-engineering, Inc. and reported data for the 1965-66 and 1966-67 seasons. It was followed by the Case and Company study which covered the 1967-68 season. These studies were followed by three United Bank of Denver studies covering the 1970-71, 1971-72, and 1972-73 seasons. In 1974 the Business Research Division, University of Colorado, was assigned responsibility for the study and produced the sixth, seventh, eighth, ninth, tenth, and eleventh ones covering the 1973-74 through 1978-79 seasons. Consequently, this report focusing on the 1979-80 season represents the twelfth effort. The survey was conducted by the Business Research Division in cooperation with the Economic Study Committee of NSAA.

Purpose and Objectives

The purpose of the annual survey is to measure and describe ski industry physical and economic characteristics; to create financial yardsticks and economic ratios having a bearing on health, growth and profitability; and to present a picture of the financial performance of the ski industry.

Specific objectives are:

1. To allow ski area operators and others to examine the performance of the industry for the 1979-80 season.
2. To allow individual ski areas to compare their performance to appropriate industry norms and benefit from the experience of others.
3. To improve understanding of ski area economics.
4. To provide a historical perspective.
5. To assist in the planning process.

Methodology

The methodology utilized in the study was the mail survey method. A questionnaire was distributed to both NSAA member and non-member ski areas in July 1980. Follow-up action included additional mailings and telephone calls from Economic Study Committee members and the

Business Research Division staff. Assistance was also provided by NSAA headquarters and regional ski area associations in an effort to gain cooperation and participation.

The questionnaire contained 16 questions concerning various factual characteristics; one open-end question; and itemized requests for revenue, expense, profit (loss) and balance sheet data pertaining to the 1979-80 ski season. A copy of the questionnaire is contained in Appendix B.

Completed questionnaires were coded, key-punched and summarized using the Statistical Package for the Social Sciences (SPSS) program on the University's CDC 6400 computer. In cases where tables in the report do not add to 100 percent, it is due to rounding.

Sample Response and Validity

The survey contained information on both area characteristics and financial data. Table 1 shows the geographic breakdown of the 131 areas furnishing complete data.

TABLE 1

GEOGRAPHIC LOCATION OF RESPONDENTS

	Number		Number
New England		Central Rockies	
Maine	2	Colorado	19
Massachusetts	3	New Mexico	5
New Hampshire	9	Arizona	1
Vermont	8		25
Connecticut	1		
Quebec, Canada	1	Northern Rockies	
	24	Montana	6
		Utah	3
East		Idaho	1
New York	8	Wyoming	1
North Carolina	2		11
Pennsylvania	4		
West Virginia	2	California and Nevada	
Ontario, Canada	2	California	12
	18	Nevada	2
			14
Midwest			
Illinois	1	Pacific Northwest	
Michigan	6	Idaho	1
Minnesota	6	Oregon	6
Ohio	1	Washington	7
Wisconsin	4	Alberta, Canada	1
Indiana	1	British Columbia, Canada	5
	19		20

Usable responses were obtained from 131 ski areas. The 131 areas providing complete financial data represent an increase over the 1978-79 study, which included 124 ski areas. Table 2 summarizes this financial sample.

TABLE 2

SAMPLE RESPONSE BY CAPACITY (000)

	Total VTF/Hour	Sample VTF/Hour	Percent Response
New England	254,454	131,791	51.8%
East	200,515	53,074	26.5
Midwest	121,924	40,132	32.9
Rockies	360,495	232,454	64.5
West	324,982	193,375	59.5
	1,262,370	650,826	51.6%

Table 3 provides a measure of the validity of the 1979-80 study response by comparing capacity represented with the 1978-79 responses. The 124 ski areas with complete financial data in the 1978-79 study reported 596,136 VTF/hour and represented some 50 percent of total. This response has increased by 9.2 percent to represent 650,827 VTF/hour, or some 51.6 percent of increased total capacity.

TABLE 3

CHANGE IN EFFECTIVE RESPONSE 1978-79 VS. 1979-80 (000)

	1978-79 (VTF/Hour)	1979-80 (VTF/Hour)	Percent Change
New England	103,077	131,791	27.9%
East	52,986	53,074	0.2
Midwest	40,865	40,132	- 1.8
Rockies	245,846	232,454	- 5.4
West	153,362	193,375	26.1
	596,136	650,826	9.2%

Limitations

The most important limitation is that the study does not include all ski areas. While a response by ski areas containing some 51.6 percent of the uphill skier capacity in the nation is excellent, it may or may not be representative of the industry. Therefore, the data can accurately be interpreted as applying to only the 131 areas that responded. These areas are listed in Appendix A.

The authors believe that response was good due in large part to the acceptance of the past studies, follow-up efforts, and increased awareness of the practical value of the data. Non-respondents, however, could be weighted heavily by loss operations or by small operators who do not have a great interest in the study.

How to Use the Study

An understanding of the terms is essential to a proper understanding of the report. Definitions are included in Appendix C and the reader is urged to familiarize himself with these specifics prior to delving into the report.

Individual ski areas will benefit from conducting a comparative analysis. Most tables contain a column where ski areas may insert the data supplied on their questionnaires and relate their experience to the appropriate average figures. First, fill in your figures. Second, compute your critical financial ratios. Third, complete proportional analyses (percentages) based on both total revenue and gross fixed assets. Finally, with these measures compared to one or more of the appropriate geographic, size or profitability breakdowns, analyze your strengths and weaknesses. In general, concentrate on areas where your operations differ significantly from the averages.

A significant difference need not dictate a change; however, it does flag an area that requires your attention to either adequately rationalize the departure from the norm or to focus on methods of reducing the expense, increasing the revenue, or increasing the utilization.

Organization

The report is divided into ten chapters. General ski industry characteristics and trends over the past studies are contained in Chapter II. Ski area financial performance is covered in Chapter III. Chapter IV deals with the critical financial ratios. The details of profitability are discussed in Chapter V. Chapter VI discusses the various departments, their contribution and employment. Regional characteristics and differences are discussed in Chapter VII, while Chapter VIII contains a description of the industry broken down by type (day, weekend, vacation and weekend only), size and days of operation. Chapter IX discusses the characteristics of ski areas with snowmaking and those with night operations. Chapter X concludes the study by presenting the results of the open-end question dealing with 1979–80 season highlights.

The report contains four appendices. Appendix A lists the ski areas that responded to the survey, Appendix B presents the questionnaire used, Appendix C defines the terms used in the study, and Appendix D lists the members of the NSAA Economic Study Committee.

II

SKI INDUSTRY CHARACTERISTICS

Ski areas were asked 16 questions concerning factual characteristics about their operation. These characteristics are summarized in Table 4. Similar tables summarize these significant parameters by various geographic locations, size, profitability, type and days of operation, snowmaking, and night operation breakdowns in subsequent chapters.

The purpose of gathering this information was to examine industry characteristics and explore similarities and differences in an attempt to develop parameters to describe success or failure. Significant findings are discussed in this chapter.

Size

VTF/Hour

The average ski area contained 4,968,145 vertical transport feet per hour of uphill capacity, capable of comfortably handling crowds of 3,109 skiers. Operators reported an average peak day crowd of 3,620 skiers or 116 percent of comfortable capacity. Average VTF/hour was up slightly due to a growth in new capacity of 5.0 percent, and an increased response by larger areas. Figures shown in Table 2 (page 3) were developed from the 19th Annual Survey of New Lifts (Ski Area Management, January 1980) and indicate a growth of 60,400,000 VTF/hour, up 5.0 percent over 1978-79.

Table 5 contains a comparison with previous studies. Ski areas in the 1979-80 study varied in size from a low of 537,400 VTF/hour to a high of 25,590,000 VTF/hour.

Gross Fixed Assets (GFA)

Size is also measured in Gross Fixed Assets, the total undepreciated cost to create the ski area. Average GFA is $4,176,244, representing an average cost of $1,343 for each skier accommodated daily. (Defined in the economic ratio section as the Capital Cost/Capacity Ratio.) The smallest ski area responding had GFA of $128,000, while the largest had $29,510,000.

Type

One descriptive method of differentiating ski areas is by markets. Most areas serve a specific functional market while a number will serve more than one. Areas were asked to classify themselves

TABLE 4

AVERAGE SKI AREA CHARACTERISTICS

	1979-80	1978-79	1977-78	1976-77	1975-76	USFS Permittees 1979-80
SIZE						
VTF/Hour (000)	4,968	4,808	4,585	4,287	4,174	6,478
Gross Fixed Assets (000)	$4,176	$3,593	$3,085	$2,806	$2,566	$5,123
LOCATION						
Within 50 Miles of SMSA	33%	37%	33%	35%	33%	38%
With 6+ Areas in 1 Hour	31%	27%	30%	27%	30%	23%
New England	18%	17%	21%	18%	18%	11%
East	14%	13%	11%	13%	16%	0%
Midwest	15%	16%	15%	17%	13%	2%
Rockies	28%	33%	32%	28%	29%	52%
West	26%	21%	21%	25%	25%	36%
SITE CHARACTERISTICS						
Number of Beds at Base	682	726	703	656	817	1,166
Number of Beds (10 Miles)	3,098	2,161	2,454	2,313	2,423	4,184
With Snowmaking	60%	58%	55%	46%	35%	40%
Terrain: Beginner	25%	24%	26%	26%	25%	24%
Intermediate	50%	51%	49%	48%	49%	48%
Expert	25%	25%	25%	26%	24%	29%
With a Night Operation	41%	36%	38%	35%	-%	24%
BUSINESS CHARACTERISTICS						
Operating With USFS Permit	50%	51%	47%	49%	54%	100%
Engaged in Land Development	34%	33%	32%	28%	29%	29%
OPERATIONAL CHARACTERISTICS						
Average Days/Nights of Operation	113	131	150	89	106	125
Average Peak Day Crowd	3,620	3,648	3,665	3,386	3,427	4,411
Average Skier Visits (000)	178	181	178	111	140	254
Average Age of Ski Areas	22 years	22 years	26 years	20 years	17 years	23 years

TABLE 4 (Continued)

AVERAGE SKI AREA CHARACTERISTICS

	1979-80	1978-79	1977-78	1976-77	1975-76	USFS Permittees 1979-80
ECONOMIC CHARACTERISTICS						
Average Revenue/Skier Visit	$10.92	$ 9.96	$ 9.15	$ 8.30	$ 7.82	$11.09
Average Lift Ticket Revenue/Skier Visit	$ 9.25	$ 8.47	$ 7.58	$ 6.79	$ 6.63	$ 9.62
Average Adult Lift Ticket Price:						
Weekend	$12.05	$10.89	$ 9.86	$ 9.07	$ 8.52	$11.90
Weekday	$10.60	$ 9.61	$ 8.56	$ 8.01	$ 7.64	$10.93
Average Night Ticket Price	$ 6.94	$ 6.08	$ 5.85	-	-	$ 7.03
Average Adult Season Ticket Price	$ 236	$ 218	$ 197	-	-	$ 255
Average Utilization	48%	44%	40%	37%	46%	52%
Average Profit (Loss) Before Tax (000)	$ 348	$ 378	$ 389	($ 65)	$ 158	$ 848
Ratio: Revenue/GFA	51%	54%	56%	35%	45%	59%
Base	(131)	(124)	(114)	(127)	(115)	(66)

TABLE 5

VTF/HOUR CAPACITY

VTF/Hour (000)	1979-80 Number of Areas	1979-80 %	1978-79 Number of Areas	1978-79 %	1977-78 Number of Areas	1977-78 %
0 - 499	0	-%	1	0.8%	0	-%
500 - 999	6	4.6	7	5.6	4	3.5
1,000 - 2,499	34	26.0	34	27.4	36	31.6
2,500 - 4,999	51	38.9	45	36.3	41	36.0
5,000 - 9,999	28	21.4	26	21.0	23	20.1
10,000 and Over	12	9.2	11	8.9	10	8.8
	131	100.1%	124	100.0%	114	100.0%

as "day," "weekend," "vacation" or "weekend only" types. Classification as a day area is the largest in the East and Midwest, while vacation areas dominate in the Rockies. A higher proportion of the smaller areas are day oriented while the larger are vacation destinations.

Acreage

The average ski area contains 426 acres of developed ski slopes and trails. Currently these 426 acres support crowds of 3,109 skiers, creating an average density of 7.3/acre. Ski areas in the Midwest accommodate skiers at the average density of 27.4/acre, and New England areas at 21.5/acre, while the Western areas vary from 7.9/acre to 3.0/acre. The following table summarizes this data.

TABLE 5A

SKI AREA ACREAGE AND CAPACITY

	Base	Average Acres	Calculated Capacity (Skiers)	Average Density (Skiers/Acre)
Total Sample	(131)	426	3,109	7.3
USFS Permittees	(66)	596	3,793	6.4
By Profitability				
Top Half	(49)	632	3,989	6.3
Bottom Half	(48)	398	2,916	7.3
Loss	(34)	173	2,111	12.2
By Geographic Region				
New England	(24)	170	3,661	21.5
East and Ontario	(18)	115	1,966	17.1
Midwest	(19)	77	2,112	27.4
Central Rockies	(25)	472	3,460	7.3
Northern Rockies	(11)	888	2,702	3.0
California and Nevada	(14)	598	4,733	7.9
Pacific Northwest	(20)	900	3,069	3.4
By Type				
Day	(62)	302	2,151	7.1
Weekend	(27)	517	3,448	6.7
Vacation	(39)	593	4,586	7.7
Weekend Only	(3)	101	652	6.5
Snowmade Areas				
New England	(20)	181	4,035	22.3
East and Midwest	(34)	95	2,061	21.7

Location

Geographic Location

Tables 1 and 2 illustrate the geographic dispersion of ski areas responding across the nation. Table 6 shows the proportion of areas and capacity (VTF/hour).

TABLE 6

LOCATION OF SKI AREAS

	Estimated Capacity	
	VTF/Hour (000)	%
New England	254,454	20.2%
East	200,515	15.9
Midwest	121,924	9.7
Rockies	360,495	28.6
West	324,982	25.7
	1,262,370	100.0%

Proximity to Metropolitan Areas

Travel is a critical variable to the success of ski areas. With the nation-wide speed limit of 55 miles per hour and a general limit on time for day and weekend outings, proximity to markets has become more important in the 1970s and 1980s. Table 7 illustrates this critical relationship.

TABLE 7

PROXIMITY TO METROPOLITAN AREAS (SMSAs)

Miles to Nearest SMSA	Total Sample		Day	Weekend	Vacation	Weekend Only
	Number	%	%	%	%	%
0 - 24 miles	14	10.9%	16.1%	7.7%	5.3%	- %
25 - 49 miles	29	22.7	33.9	7.7	13.2	33.3
50 - 74 miles	26	20.3	22.6	19.2	15.8	33.3
75 - 99 miles	17	13.3	6.5	30.8	13.2	-
100+ miles	42	32.8	21.0	34.6	52.6	33.3
	128	100.0%	100.0%	100.0%	100.0%	100.0%

Note that 73 percent of the day areas are within commuting distance (75 miles) while the bulk of the weekend areas require 2 or more hours of driving. Vacation destinations are typically in more remote locations where snow conditions are maximized, because with stays of 7 to 10 days, proximity is not critical.

Proximity to Other Ski Areas

Ski areas tend to be clustered near each other geographically. Part of this trend is due to natural conditions required, the terrain, snow conditions and climate. Part may be conditioned by the existence of regional airports, interstate highway access and the observed behavior of skiers who seek destinations where they may find a variety of skiing experiences. Table 8 illustrates the extent of this clustering.

TABLE 8

PROXIMITY OF COMPETITIVE AREAS

			Profitability		
Number Within	Total Sample		Top Profit	Bottom Profit	Loss
1 Hour Drive	Number	%	%	%	%
None	18	13.7%	16.3%	12.5%	11.8%
1	27	20.6	26.5	16.7	17.6
2 - 3	24	18.3	14.3	27.1	11.8
4 - 5	21	16.0	20.4	12.5	14.7
6+	40	30.5	20.4	31.2	44.1
No Response	1	.8	2.0	12.5	-
	131	100.0%	100.1%	100.0%	100.0%

The comparison by profitability in Table 8 supports the observation that profitability increases at areas where clustering creates a more attractive package; however, the picture is not as clear as in previous years.

Site Characteristics

Lodging Facilities

Ski areas reported lodging capacity both in terms of beds at the base area and within 10 miles. Table 9 summarizes this data. The number of beds at the base ranged from 0 to 22,000.

TABLE 9

SKI AREA LODGING CAPACITY, 1979-80

Number of Beds	At Base Number	At Base %	Within 10 Miles Number	Within 10 Miles %
None	68	51.9%	19	14.5%
1 - 149	21	16.0	19	14.5
150 - 299	9	6.9	8	6.1
300 - 599	9	6.9	19	14.5
600 - 1,199	14	10.7	20	15.3
1,200+	10	7.6	46	35.1
	131	100.0%	131	100.0%

Ski areas with a large number of beds both at the base and within 10 miles proved both to enjoy higher utilization and better profitability.

Snowmaking

Snowmaking capability exists at 60 percent of the respondent areas, up from 58 percent in 1978-79. The average coverage is 68 acres and average operation is 909 hours annually.

Terrain

In general, 50 percent of the slopes and trails at ski areas responding are classified intermediate (or more difficult in standard NSAA terminology), while 25 percent are beginner (easiest) and 25 percent expert (most difficult).

Business Characteristics

Site Ownership

Sixty-six percent of the areas responding operate on public land. Fifty percent are under permit from the U.S. Forest Service, while 8 percent lease state land, 5 percent Canadian land, and 3 percent other public land. The average USFS permittee reports 80.0 percent of slope transport feet on leased land.

Table 10 illustrates the general pattern of site ownership. As would be expected, land ownership is closely associated with geographic location. Areas located wholly on private land are generally found in the East and Midwest, while areas located partially or wholly on public lands are located in the Rockies or the West.

TABLE 10

SITE OWNERSHIP

	Total Sample	New England	East	Midwest	Rockies	West
All Private	33.6%	33.3%	88.9%	84.2%	2.8%	8.8%
Public USFS Permit	50.4	29.2	-	5.3	94.4	70.6
State Land Lease	7.6	25.0	11.1	5.3	-	2.9
Canadian Lease	5.3	4.2	-	-	-	17.6
Other	3.1	8.3	-	5.3	2.8	-
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Base	(131)	(24)	(18)	(19)	(36)	(34)

Real Estate Operations

Forty-four ski areas (34 percent) responding are engaged in some land development. Interestingly, a larger proportion of eastern and midwestern areas than western areas report land development activity. See Table 11.

TABLE 11

REAL ESTATE OPERATIONS

	1979-80		1978-79	1977-78
	Number	%	%	%
Engaged in Land Development				
Second Home Residential Sites	33	25.2%	24.2%	26.3%
Second Homes	9	6.9	8.1	-
Condominium Sites	30	22.9	21.0	23.7
Condominiums	22	16.8	15.3	-
Commercial Sites	15	11.5	14.5	16.7
Commercial Buildings	9	6.9	8.9	-
Not Engaged in Land Development	85	64.9	65.3	68.4
No Answer	2	1.5	1.6	0.0
Base	(131)		(124)	(114)

Operational Characteristics

Years in Operation

The average ski area respondent has been operating for 22 years. Table 12 summarizes ski area age. Only one new area (0.8 percent) has opened within the last five years. Only 10.7 percent have begun operations in the last 10 years.

TABLE 12

NUMBER OF YEARS SKI AREAS HAVE BEEN IN OPERATION

	1979-80		1978-79		1977-78	
	Number	%	Number	%	Number	%
1 - 5 years	1	0.8%	1	0.8%	2	1.8%
6 - 10 years	13	9.9	10	8.1	7	6.1
11 - 15 years	23	17.6	24	19.5	33	28.9
16 - 20 years	34	26.0	32	26.0	31	27.2
21 - 25 years	23	17.6	19	15.4	11	9.6
26 - 30 years	6	4.6	6	4.9	5	4.4
31 - 35 years	12	9.2	13	10.6	5	4.4
Over 35 years	19	14.5	18	14.6	20	17.5
	131	100.2%	123	99.9%	114	99.9%

Length of Season

The length of the ski season is generally expressed in number of days/nights of operations and is one of the most critical variables in the success of ski areas. When so high a proportion of costs are fixed (i.e., depreciation, interest, property taxes, and management take some 45 percent of total costs) the longer the season the more opportunity to spread these over a greater revenue base.

The 1976-77 survey contained an upgrading of this vital statistic. Respondents were asked to provide their summary of daily operation in four categories: number of days at full operation, number of days with less than full but more than one-half of your mountain open and skiable, number of days with less than half of your mountain open and skiable, and the number of nights of operation. These breakdowns allowed the calculation of "equivalent" days of operation by weighting each response. Equivalent days of operation is the best estimate of the number of equivalent days that the ski area was fully open and skiable, a more accurate measure of capacity.

The 1978-79 and 1979-80 surveys contain an added adjustment to allow for the generally smaller night operations. Nights of operation were adjusted by the proportion of the ski area covered by lights and thus open for night skiing. In general, those ski areas with night skiing (40 percent) report night skiing capacity at 57 percent of day capacity. Thus, while the average ski area with lights was open 67 nights, this amounts to only 38 "equivalent days/nights" of full capacity operation.

Table 13 summarizes the various results. Table 14 illustrates the wide variation in actual equivalent operating days. The average ski area enjoyed an equivalent season that was 83 percent of actual days open (98 days divided by 118 days).

TABLE 13

DAYS/NIGHTS OF OPERATION

	Equivalent 1979-80		Equivalent 1978-79	
	Number	%	Number	%
0 - 59 days/nights	19	14.5%	4	3.2%
60 - 89 days/nights	14	10.7	15	12.1
90 - 104 days/nights	17	13.0	17	13.7
105 - 119 days/nights	16	12.2	9	7.3
120 - 134 days/nights	27	20.6	23	18.5
135 - 159 days/nights	20	15.3	32	25.8
Over 160 days/nights	18	13.7	24	19.4
	131	100.0%	124	100.0%

Again, length of season is positively correlated with profitability as the top half of the profitable areas had a season that was 85 percent greater than the loss areas. Pacific Northwest ski areas had the longest season, averaging 141 equivalent days/nights, while New England had the shortest, 59 days/nights.

TABLE 14

ACTUAL VS. EQUIVALENT DAYS OF OPERATIONS, 1979-80

	Equivalent Days/Nights[a] of Full Operation	Days of Full Operation (100%)	Days of More Than Half (75%)	Days of Less Than Half (25%)	Total Actual Days Open	Nights of Operation (57%)
Average Ski Area	113	76	23	19	118	27
Top Profit	135	103	23	9	135	26
Bottom Profit	119	74	25	23	122	34
Loss	73	42	21	27	90	17
New England	59	18	30	53	101	7
East and Ontario	99	42	33	23	98	42
Midwest	128	78	19	11	108	48
Central Rockies	126	109	16	8	133	5
Northern Rockies	119	103	13	2	118	27
California/Nevada	138	102	30	13	145	20
Pacific Northwest	141	102	21	10	133	49
Day	124	80	20	13	113	37
Weekend	101	61	31	32	124	23
Vacation	112	85	25	21	131	15
USFS Permittees	125	94	22	17	133	22

[a] This figure is the sum of days, open at various capacities, plus nights of operation.

Ski Area Capacity

The calculation of ski area capacity is a matter of judgment. The 1975-76 study attempted to establish capacity parameters in several ways in order to test various concepts. This procedure has been used in all surveys since. Total lift VTF/hour is used. Ski area operators were also asked to provide their peak day crowd count plus their estimate of their "comfortable" crowed.

The results are tabulated in Table 15. The "calculated capacity" column is based on an assumed average hourly demand in VTF/hour. This assumption is similar to the last five studies and is based on the observation that skiers demand different amounts of skiing based upon their ability level, and further that this demand varies from ski area to ski area and region to region. The demand used to approximate regional experience is:

Geographic Region	Approximate Demand
New England	1,500 VTF/hour
East	1,500 VTF/hour
Midwest	1,000 VTF/hour
Rockies	2,000 VTF/hour
West	1,500 VTF/hour

TABLE 15

MEASURES OF SKI AREA CAPACITY

	Peak Day Crowd	Comfortable Crowd	Calculated Capacity	Peak Crowd	Comfortable Crowd
				As % of Calculated Capacity	
All 131 Ski Areas	3,620	3,258	3,109	116%	105%
USFS Permittees	4,411	3,925	3,793	116	103
Location:					
New England	2,947	3,444	3,661	80	94
East	3,615	2,811	1,966	184	143
Midwest	2,179	2,018	2,112	103	96
Central Rockies	4,089	3,968	3,460	118	115
Northern Rockies	3,678	2,767	2,701	136	102
California/Nevada	5,346	4,460	4,733	113	94
Pacific Northwest	3,974	3,153	3,069	129	103
Profitability:					
Top	5,276	4,306	3,989	132	108
Bottom	3,293	3,090	2,916	113	106
Loss	1,696	1,984	2,111	80	94
Type:					
Day	2,861	2,431	2,151	133	113
Weekend	3,972	3,570	3,448	115	104
Vacation	4,831	4,546	4,586	105	99
Weekend Only	391	783	652	60	120

An analysis of Table 15 indicates that these assumptions are in general harmony with ski area operator estimates.

The calculated figures have been used in this study to compute season capacity and determine utilization. The peak day crowds are 116 percent of calculated capacity and 111 percent of ski area operators' estimated comfortable capacity. It is obvious from this analysis that the peak day crowd count is a severe over-capacity situation that cannot occur too often if the quality of the skiing experience is to be maintained.

Skier Visits

Skier visits is the physical measure of use. Table 16 summarizes skier visits reported over the past four ski seasons.

TABLE 16

SKIER VISITS/SEASON

Skier Visits (000)	1979-80 Number	1979-80 %	1978-79 %	1977-78 %	1976-77 %
0 - 24.9	17	13.0%	7.3%	4.4%	18.1%
25 - 49.9	16	12.2	13.7	13.1	13.4
50 - 99.9	29	22.1	23.4	24.6	23.6
100 - 199.9	29	22.1	21.8	25.4	30.7
200+	40	30.5	33.9	32.5	14.2
	131	100.0%	100.1%	100.0%	100.0%
Average Skier Visits (000)	178		181	178	111

Growth

The last four surveys contain a measure of growth. For the fifth time, the respondents were asked for their skier visit count over the past five years. Table 17 summarizes the findings.

TABLE 17

GROWTH IN USAGE

		Skier Visits				
	Base	1975-76 (000)	1976-77 (000)	1977-78 (000)	1978-79 (000)	1979-80 (000)
Total Sample	131	142	108	174	178	178
USFS Permittees	66	190	120	225	244	254
By Profitability:						
Top Half	49	214	131	264	282	311
Bottom Half	48	117	105	138	144	132
Loss	34	75	76	94	78	56
By Geographic Region:						
New England	24	129	150	171	143	104
East	18	86	105	136	123	124
Midwest	19	72	75	84	80	73
Central Rockies	25	222	136	245	272	295
Northern Rockies	11	151	86	148	169	174
California/Nevada	14	191	124	278	325	339
Pacific Northwest	20	129	60	149	146	160
By Type:						
Day	62	90	70	114	111	111
Weekend	27	150	121	190	201	193
Vacation	39	221	163	268	280	287
Weekend Only	3	6	5	8	7	2

These growth trends are an attempt to measure growth in demand for skiing opportunities. As such a measure they fall short when the snow drought years are included. The reason usage was down had to do with a failure to provide adequate opportunities (supply). Table 18 is an attempt to provide a growth in demand measure by factoring out the 1976-77 season. This is only appropriate in Western locations. The growth curves for New England, Eastern and Midwestern areas are not measures of demand since the last five years contain at least two poor weather winters.

TABLE 18

PROBABLE 5 YEAR GROWTH IN DEMAND
(1976-77 factored out)

	Annual Growth Rate	Correlation Coefficient
Total Sample	5.9%	0.84
Central Rockies	7.1	0.97
Northern Rockies	3.9%	0.67
California/Nevada	15.0	0.96
Pacific Northwest	5.0	0.89
Vacation Ski Areas	6.7	0.93

Economic Characteristics

Ski Lift Prices

Respondents were asked to list their adult weekday and weekend all day lift ticket prices. These are typically the highest prices quoted because there are discounts for students, children, military, 3, 5 and 7 day packages, promotions, races and senior citizens. The 1977-78, 1978-79 and 1979-80 studies also include pricing questions concerning night ticket rates and season pass rates. Table 19 summarizes these prices and compares prices with actual average lift ticket revenue per skier visit.

TABLE 19

SKI LIFT TICKET PRICES AND AVERAGE LIFT TICKET REVENUE/SKIER VISIT

	1979-80	1978-79	1977-78	1976-77
Ski Lift Ticket Price:				
Weekend	$12.05	$10.89	$ 9.86	$ 9.07
Weekday	10.60	9.61	8.56	8.01
Night	6.94	6.08	5.85	-
Season Pass	236.00	217.61	196.73	-
Average Ski Lift Ticket Revenue/S-V	9.25	8.47	7.58	6.79
Realized Revenue Vs. Weekend Price	76.8%	77.8%	76.9%	74.9%

Table 20 illustrates the range of ski lift ticket prices. Prices ranged from a low of $8.00 to a high of $18.00.

TABLE 20

ADULT, ALL DAY WEEKEND, SKI LIFT TICKET PRICES

	1979-80		1978-79	1977-78	1976-77	1975-76
	Number	%	%	%	%	%
Under $4.00	-	- %	- %	- %	- %	1.4%
$4.00 - 5.99	-	-	0.8	0.9	1.6	8.0
$6.00 - 6.99	-	-	0.8	2.6	4.7	8.0
$7.00 - 8.49	10	7.6	7.3	20.2	29.9	32.6
$8.50 - 9.99	15	11.5	23.4	21.9	25.2	26.1
$10.00 - 11.99	32	24.4	29.8	35.1	29.9	20.3
$12.00 - 14.99	51	38.9	29.8	19.3	7.1	2.9
$15.00 - 17.99	21	16.0	8.1			
$18.00+	2	1.5				
No Response	-	-	-	-	1.6	0.7
	131	100.0%	100.0%	100.0%	100.0%	100.0%

Profits

Only seventy-six, or 58 percent, of the 131 ski areas reported profits in 1979-80. Chapter V provides a complete analysis of profitability and its probable causes. Table 21 summarizes dollar returns.

TABLE 21

DOLLARS OF PROFIT (BEFORE TAX)

	1979-80		1978-79	1977-78	1976-77	1975-76
Dollars (000)	Number	%	%	%	%	%
Loss	55	42.0%	26.6%	12.3%	48.0%	26.1%
$0 - 24.9	6	4.6	9.7	5.2	8.7	13.0
$25 - 49.9	7	5.3	7.3	8.8	3.9	13.9
$50 - 99.9	9	6.9	8.9	14.1	10.2	14.8
$100 - 149.9	12	9.2	3.2	8.7	6.3	6.1
$150 - 249.9	7	5.3	9.7	10.5	10.2	6.1
$250 - 349.9	3	2.3	5.6	7.9	3.9	6.1
$350 - 999.9	15	11.5	17.7	22.9	6.3	8.7
$1,000 - 1,999.9	10	7.6	5.6	7.0	1.6	2.6
$2,000+	7	5.3	5.6	2.6	0.8	2.6
	131	100.0%	99.9%	100.0%	99.9%	100.0%

Non-Skiing Activities

Table 22 summarizes the variety and extent of other recreational activities offered at ski areas. The most prevalent activity is ski touring, followed by tennis and swimming.

TABLE 22

OTHER ACTIVITIES AVAILABLE AT SKI AREAS

	Percent of Areas That Have			
	All	Day	Weekend	Vacation
Toboggans/sleds	6.1%	6.5%	7.4%	5.1%
Ice skating	14.5	3.2	7.4	38.5
Snowmobiles	13.7	11.3	7.4	20.5
Ski touring	64.9	51.6	70.4	82.1
Golf	19.8	4.8	14.8	48.7
Tennis	28.2	4.8	37.0	61.5
Swimming	26.7	3.2	25.9	66.7
Water sports	8.4	3.2	14.8	12.8

III

SKI AREA FINANCIAL DATA

Introduction

Each ski area was asked to provide the following financial data on their 1979-80 season: (1) income statement, (2) departmental revenue and expense, and (3) balance sheet. From this information average area financial statements were developed to measure the industry's financial performance. The data summarized here for the 1979-80 season represents 131 ski areas that provided complete usable data representing 12 months of income and expenses. These 131 areas represent an increase over the 124 completely usable questionnaires for 1978-79.

The 131 ski areas represent approximately 50 percent of the ski area capacity in the nation. If this relationship were to hold for the balance of the capacity, then the ski area business in the United States has an investment of some $1.1 billion, processes revenues of $754 million, and has an annual payroll of $167 million.

This chapter first presents the average income statement (Table 23) and the average area lift and revenue expense statement (Table 24) in the traditional format of previous reports. This is followed by an extensive analysis of the income statement in a non-traditional way which the authors believe will be more meaningful to ski area operators. Readers will note that the data are the same except for the revenue figure which has been adjusted because of concession operations to make the data more comparable. Also, this more extensive analysis includes a separate column on the 66 areas in the study operating with a USFS permit.

Average Ski Area Income Statements

Table 25 is the composite-average income statement referred to above. The format is somewhat non-typical due to the varying practices of ski area operators. Total revenue is the total of gross lift department revenue plus gross margin or contributions from all other departments. It is believed that in this manner one can more fairly combine ski areas that have only some of the supporting operations with those who concession them, and thus report only net concession revenue, and those who operate their own schools, shops, restaurants, and real estate business. Details of these supporting operations may be found in Chapter VI.

Table 26 is a summary of gross revenue, concession revenue and direct operating costs. It is included to illustrate how the supporting margins were calculated. The breakdowns shown in Chapter VI are much more accurate for illustrating typical departmental cash flows, since Table 26 includes all areas in the average including those who do not operate such a department. While they are statistically accurate they are non-typical.

TABLE 23

AVERAGE AREA INCOME STATEMENT (000)

	1979-80 Total	1979-80 Season Percent	1978-79 Total	1978-79 Season Percent	1977-78 Season Percent	1976-77 Season Percent
Income	$2,879	100.0%	$2,648	100.0%	100.0%	100.0%
Direct Expense						
Direct Labor	$ 638	22.2%	$ 587	22.2%	21.3%	27.8%
Other Direct Expenses	876	30.4	771	29.1	28.2	27.8
Total Direct Expenses	$1,514	52.6%	$1,358	51.3%	49.5%	55.6%
Gross Margin	$1,365	47.4%	$1,290	48.7%	50.5%	44.4%
Other Expenses						
General & Administrative	$ 273	9.5%	$ 239	9.0%	8.4%	13.0%
Marketing	114	4.0	89	3.4	3.4	4.5
Insurance	90	3.1	94	3.5	3.3	4.9
Forest Service Fees	43	1.5	39	1.5	1.3	1.1
Private Land Rental	16	0.6	14	0.5	0.5	0.3
Property & Other Taxes	32	1.1	48	1.8	1.9	2.2
Interest	159	5.5	118	4.5	4.8	8.1
Depreciation	266	9.2	223	8.4	8.2	12.0
Miscellaneous Expense	24	0.8	48	1.8	1.9	3.1
Total Other Expense	$1,017	35.3%	$ 912	34.4%	33.7%	49.1%
Pre-Tax Profit (Loss)	$ 348	12.1%	$ 378	14.3%	16.8%	(4.7%)
Base	(131)		(124)		(114)	(127)

TABLE 24

AVERAGE AREA LIFT REVENUE AND EXPENSE (000)

	1979-80 Total	1979-80 Season Percent	1978-79 Total	1978-79 Season Percent	1977-78 Season Percent	1976-77 Season Percent
Lift Revenue						
Winter	$1,648	99.2%	$1,534	99.0%	99.0%	98.4%
Summer	13	.8	15	1.0	1.0	1.6
Total	$1,661	100.0%	$1,549	100.0%	100.0%	100.0%
Lift Expense						
Direct Labor (Winter)						
Lift	$ 110	6.6%	$ 107	6.9%	6.4%	8.5%
Ski Patrol	51	3.1	49	3.2	3.0	3.5
Slope Maintenance	35	2.1	36	2.3	2.0	2.5
Maintenance & Repair	61	3.7	60	3.9	3.4	6.4
Ticket Sales	21	1.3	18	1.2	1.2	1.4
Snowmaking [a]	-	-	-	-	-	1.2
Other	27	1.6	26	1.6	2.0	2.1
Total (Winter)	$ 305	18.4%	$ 296	19.1%	18.0%	25.6%
Direct Labor (Summer)	$ 5	0.3%	$ 12	0.8%	0.7%	-
Other Direct Expense	$ 190	11.4%	$ 190	12.3%	12.2%	20.6%
Gross Margin - Lifts	$1,161	69.9%	$1,051	67.8%	69.1%	53.8%
Base	(131)		(124)		(114)	(127)

[a] Included as a general fixed expense in 1979-80, 1978-79 and 1977-78.

TABLE 25

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT

	1979-80 Total (000)	1978-79 Total (000)	% Change	USFS Permittees	Your Ski Area
Gross Fixed Assets	$4,176	$3,593	16.2%	$5,123	$____
Revenue:					
Ski Lift Gross - Winter	$1,648	$1,534		$2,441	$____
Ski Lift Gross - Summer	13	15		23	____
Supporting Margin - Winter	324	298		397	____
Supporting Margin - Summer	30	15		22	____
Year Round Margin	110	91		135	____
TOTAL REVENUE	$2,125	$1,953	8.8%	$3,018	$____
Less:					
Ski Lift Direct Expense	$ 500	$ 497		$ 727	$____
Payroll Taxes	70	56		102	____
Property Operation	104	71		132	____
OPERATIONS MARGIN	$1,451	$1,329	9.2%	$2,057	$____
Less:					
General & Administrative	$ 273	$ 238		$ 357	$____
Marketing (advertising, public relations, promotion, etc.)	114	89		144	____
Insurance (property, liability)	90	98		111	____
Land Use Fees (public)	43	39		80	____
Land Use Fees (private)	16	14		16	____
Property Taxes	32	31		41	____
Other Taxes (not income)	17	17		26	____
Snowmaking	62	31		44	____
Snow Removal	7	6		7	____
Miscellaneous	24	48		28	____
Depreciation & Amortization	266	223		355	____
OPERATING PROFIT (LOSS)	$ 507	$ 495	2.4%	$ 848	$____
Less: Interest	159	117		203	____
PROFIT (LOSS) BEFORE TAX	$ 348	$ 378	- 7.9%	$ 645	$____
Base	(131)	(124)		(66)	

TABLE 26

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
1979-80

	Plus:		Less:			Equals:
	Gross Sales (000)	Concession Revenue (000)	Cost of Goods Sold (000)	Direct Labor (000)	Direct Other (000)	Gross Margin (000)
WINTER SEASON						
Ski Lift Department	$1,648	$ -	$ -	$ 305	$ 186	$1,157
Ski School	166	4	-	98	14	58
Food Service	248	13	95	68	26	72
Bar	62	5	18	13	6	30
Retail	119	5	71	14	6	33
Rental	120	4	16	25	7	76
Accommodations	82	1	-	24	29	30
Other	43	4	4	12	6	25
Sub-total	$2,488	$ 36	$ 204	$ 559	$ 280	$1,481
YEAR-ROUND						
Real Estate	$ 174	$ 7	$ 70	$ 17	$ 18	$ 76
Utility	5	-	-	2	7	(4)
Miscellaneous	48	3	6	3	4	38
Sub-total	$ 227	$ 10	$ 76	$ 22	$ 29	$ 110
SUMMER SEASON						
Lift Department	$ 13	$ -	$ -	$ 5	$ 4	$ 4
Food Service	28	-	12	11	5	0
Retail	9	1	5	3	1	1
Sports	12	1	-	6	4	3
Accommodations	28	-	-	10	8	10
Slide	25	1	1	5	4	16
Sub-total	$ 115	$ 3	$ 18	$ 40	$ 26	$ 34
TOTALS	$2,830	$ 49	$ 298	$ 621	$ 335	$1,625
Base	(131)	(131)	(131)	(131)	(131)	(131)

This format also differs slightly by showing an "operating profit (loss)" before subtracting interest expense. It is believed that this figure compared to gross fixed assets is one of the best overall measures of industry profitability. Interest expense varies from zero to $1.3 million, and while it is a critical and significant cost of doing business it is also viewed as a part of the cost of capital. Some areas are subsidiaries of larger corporations, some beneficiaries of public funding, and many carry an added burden of past operating losses. A fair assessment of current operations requires both an analysis of before tax and before interest return on GFA, and profit as a percent of equity.

Tables 27 and 28 provide comparisons between expenses, revenues and investment (Gross Fixed Assets). One generally uniform factor involves the depreciation to Gross Fixed Assets of around 6 percent, or 16 years average life.

Revenue

Average revenue was up 8.8 percent. A check of the 1979-80 results using the revenue to GFA vs. utilization rule developed in the 1974-75 report shows the following.

	Total Revenue to GFA		Percent Utilization		Factor	Judgment
All ski areas	51%	÷	48%	=	1.06	Acceptable
Top Half Profit	67%	÷	56%	=	1.20	Good
Bottom Half Profit	43%	÷	40%	=	1.08	Acceptable
Loss	23%	÷	33%	=	0.70	Poor

This rule of thumb measure summarizes all of the critical economic variables (capacity, utilization, length of season, revenue per skier visit) and relates them to investment. When the revenue/GFA ratio exceeds utilization, the various factors are in balance. When utilization exceeds the revenue/GFA ratio one or more factors are impairing a ski area's ability to make profits commensurate with the risks. This factor analysis is derived from the income potential to capital cost (GFA) ratio used to evaluate the conceptual feasibility of a new or expanded ski area. The critical variable factors must allow the revenue at full utilization to equal the investment (GFA) required or the project is not economically feasible.

TABLE 27

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT PERCENT OF REVENUE

	1979-80 Total	1978-79 Total	1979-80 USFS Permittees	Your Ski Area
Revenue:				
Ski Lift Gross - Winter	77.6%	78.5%	80.9%	________ %
Ski Lift Gross - Summer	0.6	0.8	0.8	________
Supporting Margin - Winter	15.2	15.2	13.2	________
Supporting Margin - Summer	1.4	0.8	0.7	________
Year Round Margin	5.2	4.7	4.5	________
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0 %
Less:				
Ski Lift Direct Expense	23.5%	25.4%	24.1%	________ %
Payroll Taxes	3.3	2.9	3.4	________
Property Operation	4.9	3.6	4.4	________
OPERATIONS MARGIN	68.3%	68.1%	68.1%	________ %
Less:				
General & Administrative	12.8%	12.2%	11.8%	________ %
Marketing (advertising, public relations, promotion, etc.)	5.4	4.6	4.8	________
Insurance (property, liability)	4.2	5.0	3.7	________
Land Use Fees (public)	2.0	2.0	2.7	________
Land Use Fees (private)	0.8	0.7	0.5	________
Property Taxes	1.5	1.6	1.4	________
Other Taxes (not income)	0.8	0.9	0.9	________
Snowmaking	2.9	1.6	1.5	________
Snow Removal	0.3	0.3	0.2	________
Miscellaneous	1.1	2.5	0.9	________
Depreciation & Amortization	12.5	11.4	11.8	________
OPERATING PROFIT (LOSS)	23.9%	25.3%	28.1%	________ %
Less: Interest	7.5	6.0	6.7	________
PROFIT (LOSS) BEFORE TAX	16.4%	19.3%	21.4%	________ %
Base	(131)	(124)	(66)	

TABLE 28

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT PERCENT OF GROSS FIXED ASSETS

	1979-80 Total	1978-79 Total	1979-80 USFS Permittees	Your Ski Area
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%
Revenue:				
Ski Lift Gross - Winter	39.5%	42.7%	47.6%	________%
Ski Lift Gross - Summer	0.3	0.4	0.4	________
Supporting Margin - Winter	7.8	8.3	7.7	________
Supporting Margin - Summer	0.7	0.4	0.4	________
Year Round Margin	2.6	2.5	2.6	________
TOTAL REVENUE	50.9%	54.4%	58.9%	________%
Less:				
Ski Lift Direct Expense	12.0%	13.8%	14.2%	________%
Payroll Taxes	1.7	1.6	2.0	________
Property Operation	2.5	2.0	2.6	________
OPERATIONS MARGIN	34.7%	37.0%	40.2%	________%
Less:				
General & Administrative	6.5%	6.6%	7.0%	________%
Marketing (advertising, public relations, promotion, etc.)	2.7	2.5	2.8	________
Insurance (property, liability)	2.2	2.7	2.2	________
Land Use Fees (public)	1.0	1.1	1.6	________
Land Use Fees (private)	0.4	0.4	0.3	________
Property Taxes	0.8	0.9	0.8	________
Other Taxes (not income)	0.4	0.5	0.5	________
Snowmaking	1.5	0.9	0.9	________
Snow Removal	0.2	0.2	0.1	________
Miscellaneous	0.6	1.3	0.5	________
Depreciation & Amortization	6.4	6.2	6.9	________
OPERATING PROFIT (LOSS)	12.1%	13.8%	16.6%	________%
Less: Interest	3.8	3.3	4.0	________
PROFIT (LOSS) BEFORE TAX	8.4%	10.5%	12.6%	________%
Base	(131)	(124)	(66)	

The 1979-80 ratio of revenue to GFA (51 percent) decreased from the 1978-79 figure (54 percent), but continued considerably above the 1976-77 figure (35 percent). This subject is discussed in more detail in Chapter V.

Expenses

Cash operating expenses were up 8 percent, reulting in an operating margin that is up 9.2 percent.

Balance Sheet

Balance sheet data is summarized in Table 29. The basic balance sheet data remained unchanged. Working capital is adequate and the current ratio is an acceptable 1.2/1.

Table 30 summarizes the traditional measures of business health.

TABLE 29

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS

	1979-80 (000)	Total Percent	1978-79 (000)	Total Percent	USFS Permittees (000)
Assets					
Current Assets	$ 738	17.0%	$ 615	17.5%	$ 972
Gross Fixed Assets	4,246	97.8	3,642	103.8	5,127
Less: Depreciation	(1,618)	(37.3)	(1,395)	(39.7)	(1,925)
Other Assets	976	22.5	648	18.5	1,395
TOTAL ASSETS	$4,342	100.0%	$3,510	100.1%	$5,569
Liabilities & Net Worth					
Current Liabilities	$ 602	13.9%	$ 489	13.9%	$ 669
Long-Term Debt	1,165	26.8	1,089	31.0	1,508
Subordinated Debt	422	9.7	244	7.0	512
Deferred Taxes	101	2.3	114	3.2	166
Other Liabilities	66	1.5	73	2.1	59
Net Worth					
Invested	1,215	28.0	711	20.3	1,416
Retained Earnings	771	17.8	790	22.5	1,239
TOTAL LIABILITIES & NET WORTH	$4,342	100.0%	$3,510	100.0%	$5,569
Base	(126)		(117)		(65)

TABLE 30

BALANCE SHEET RATIOS

	1979-80	1978-79	1977-78	1976-77
Working Capital (000)	$136	$126	$133	($1)
Current Ratio	1.2/1	1.3/1	1.3/1	1/1
Percent Debt	54%	57%	61%	69%
Percent Equity	46%	43%	39%	31%
Debt to Cash Flow	2.6X	2.2X	2.2X	12.8X

U.S. Forest Service Permittees

Again, the 1979-80 study contains a separate computer run for the 66 ski areas operating with a USFS special use permit.

The average profile differs mainly in geographic location, size and length of season. The economic characteristics and financial performance indicators are remarkably similar to other areas. USFS permittees are found mainly in the Rockies and the West, and they are more heavily represented among the vacation destination ski areas at some distance from population centers.

IV

ECONOMIC RATIOS

The 1973-74 study introduced the economic ratios contained in this chapter. The objective was to identify and summarize three measures of profitability and five critical variables that help to explain performance.

The reader is again cautioned to review the precise definitions of terms contained in Appendix C. There are a myriad of different methods of measuring profitability and performance. These eight critical economic ratios were developed over the past 19 years by Ted Farwell, a member of the NSAA Economic Study Committee. They are not purported to be the only system, but rather to be one simple method of analyzing operating results.

Table 31 summarizes the eight critical ratios and illustrates the data required to construct each ratio. The source of these figures are Tables 25 and 29. There are similar tables in the subsequent chapters presenting the eight critical variables divided by various meaningful categories of profitability, geographic region, size, type, days of operation, and snowmaking and night operations.

How to Calculate the Ratios

1. Debt to cash flow is a rough measure of the number of years that will be required at this cash flow to retire debt. This ratio is calculated by dividing the total long-term debt (M) (not including current liabilities) by the before-tax cash flow (I). Before-tax cash flow is calculated by adding back the non-cash expense of depreciation (H) to the profit (loss) before tax (G).

2. Operating profit on GFA is, in our opinion, the major ratio to describe profitability. Since it is a ratio before financing costs it allows for the comparison of operating results between areas with conservative management and minimum debt, and those with maximum leverage. It also eliminates the swings in profitability occasioned by the accumulation of several years of losses into the balance sheet. This ratio is calculated by dividing the operating profit (J) by gross fixed assets (L). Operating profit is calculated before interest expense.

3. Profit (before tax) on equity is the second measure of profitability and is the closest one can come to the traditional "return on equity" measure of business profitability. Traditional measures are in "after tax" returns. However, two characteristics of the ski industry make after tax calculations next to meaningless.

TABLE 31

ECONOMIC RATIOS

	Construction Key	Total 1979-80	Total 1978-79	Percent Change	USFS Permittees	Your Ski Area
VTF/Hour (000)	A	4,968	4,808		6,478	______
VTF/Hour - Demand/Skier Visit	B	1,598	1,608		1,708	______
Skier Capacity	C	3,109	2,990		3,793	______
Days/Nights of Operation	D	113	131		125	______
Season Capacity (000)	E	372	412		490	______
Actual Skier Visits (000)	F	178	181	- 1.7%	254	______
Profit (Loss) Before Tax (000)	G	$ 348	$ 378	- 7.9%	$ 645	$______
Plus: Depreciation (000)	H	$ 266	$ 223		$ 355	$______
Before Tax Cash Flow (000)	I	$ 614	$ 601		$1,000	$______
Operating Profit (Loss) (000)	J	$ 507	$ 495	2.4%	$ 848	$______
Cash Operating Costs (000)	K	$1,352	$1,235		$1,815	$______
Gross Fixed Assets (000)	L	$4,176	$3,593		$5,123	$______
Secured Debt (000)	M	$1,587	$1,333		$2,020	$______
Equity (000)	N	$1,986	$1,501		$2,655	$______
Critical Ratios						
1. Health (Debt to Cash Flow)		2.6X	2.2X		2.0X	______ X
Profitability:						
2. Operating Profit on GFA		12.1%	13.8%	- 12.3%	16.6%	______ %
3. Profit (BT) on Equity		17.5%	25.2%	- 30.6%	24.3%	______ %
Performance:						
4. Average Utilization		47.9%	43.9%		51.8%	______ %
5. Days/Nights of Operation		113	131		125	______
Policy and Planning:						
6. Capital/Capacity Ratio		$1,343	$1,202		$1,351	$______
7. Operating Cost/Capacity Ratio		$ 3.63	$ 3.00	21.0%	$ 3.70	$______
Revenue/Skier Visit:						
Ski Lift Gross		$ 9.25	$ 8.47	9.2%	$ 9.62	$______
Ski School Margin		$ .33	$ .31		$ .29	$______
Food Service Margin		$ .41	$ .32		$ .40	$______
Bar Margin		$ .17	$ .18		$ .13	$______
Ski Shop Margin		$ .19	$ .18		$ .20	$______
Ski Rental Margin		$ .43	$ .41		$ .32	$______
Other Margin		$ .14	$ .09		$ .13	$______
8. Total - Revenue/Skier Visit		$10.92	$ 9.96	9.6%	$11.09	$______
Base		(131)	(124)		(66)	

a. Many ski areas are subsidiaries of larger corporations and the tax consequences of their ski area profits (losses) are lost in the consolidation.

b. Many ski areas have loss-carry-forward balances to offset current profits and their current taxes would not reflect normal operations.

In general, the reader seeking the comparable "after tax" return may approximate this by cutting the before tax figure in half (considering both Federal and state income tax liabilities).

This ratio is calculated by dividing profit (loss) before tax (G) by equity (N). Equity includes the invested capital and retained earnings. The reader should be aware of the fact that because of the areas' accumulated losses, 32 percent of the respondents reported negative retained earnings and 13 percent showed no invested capital.

4. Average utilization measures actual skier visits as a percent of capacity skier visits. Capacity skier visits (E) is the product of each individual ski area's calculated capacity times its equivalent days/nights of operation. The 1975-76 survey included a more meaningful estimate of capacity since respondents reported the number of days when all ski lifts were open plus the number of days when operations were limited due to lack of snow cover or other capacity limiting facotrs. The 1976-77 survey includes nights of operation. The 1977-78 survey incorporates both of these refinements. Actual days/nights of operation were thus adjusted downward to create "equivalent" day/nights of operation. Please note that average skier capacity (C) times days of operation (D) will not equal season capacity (E). This is because season capacity (E) is the sum of all 131 areas' season capacity and is, of course, weighted by both the larger areas and those with longer seasons.

Average utilization is calculated by dividing actual skier visits (F) by computed season capacity (E). Utilization is expressed as a percent of available season capacity.

The 1978-79 and 1979-80 studies contain a further refinement in calculating capacity due to the different ski area capacity available at night. Thus, the utilization calculation is not comparable to prior years.

5. Days/nights of operation are the actual days and nights that ski areas were open and operating. Theoretically, when computing season capacity, one assumes that all lifts and trails are open each operating period or at least each area is capable of handling the "comfortable capacity" crowd each period that they are operating. All studies since 1975-76 adjust for this factor by computing equivalent days/nights of operation. Days/nights of operation were selected as one of eight critical variables to highlight their important effect on profitability.

6. The capital cost/capacity ratio is designed to provide a relative measure of a ski area's site, design and construction attributes. This ratio is calculated by dividing the GFA (L) by the daily, comfortable skier capacity (C). The rationale for obtaining a skier capacity measure was discussed earlier and judgments may be evaluated by refering to Table 15.

7. The operating cost/capacity ratio is designed as a comparable method of measuring operating cost efficiency. This measure reduces all the cash operating costs (excluding depreciation and interest) to a common denominator. It is calculated by dividing cash operating costs (K) by season capacity (E). Costs are thus reduced to the cost of providing one skier of capacity for one equivalent day/night of operation. In general, ski areas with a higher than average cash operating cost/season capacity ratio in its appropriate size, location or operating days category may well benefit by taking a close look at expenses.

8. Total revenue/skier is a measure of the actual revenue received by the ski area from each skier each day. The definition is very important to assess the usefulness of this measure. Revenue includes gross revenue from ski lift ticket sales, plus the margin or contribution from the other typical supporting services. This method was selected in order to equate ski areas who concession some or all of these supporting service operations, and thus report only a concession fee, with those who operate each service as a department.

   This index is calculated by dividing revenues by skier visits; however, this measure does not use either accommodations, year round or summer revenue as they don't relate directly to skier visits.

What the Ratios Mean

1. Ski Industry Health (Debt to Cash Flow): In 1979-80 the ski industry continues to demonstrate a healthy ability to retire debt. Average debt obligations are only 2.6 times the before tax cash flow. Thus, cash flows are adequate to retire debt in less than six years. (They must first be used to pay income taxes.)

2. Ski Industry Profitability: Operating profit as a percent of Gross Fixed Assets is down slightly at 12.1 percent. An average of 12.1 percent is not sufficient to attract new investment capital at the current rate of inflation.

   Profit before tax on equity is at 17.5 percent, down considerably from the near record 25.2 percent of 1978-79. This return amounts to approximately 8.8 percent after tax.

3. Ski Industry Performance: Average skier visits were down 1.7 percent, the result of both a much shorter average season and a higher utilization.

4. Policy and Planning Ratio: The two cost/capacity ratios measure design and operating efficiency. The benchmarks established by the total sample should be attainable and probably represent an adequate norm. The capital cost/capacity ratio must be adjusted upward by an appropriate inflation index to be used for current new construction planning.

   The daily cash operating cost/capacity ratio at $3.63 is up considerably from the 1978-79 index. The change by category looks like this:

	Cash Cost/Skier Visit of Capacity		
	1979-80	1978-79	Change
Ski Lift Direct	$1.34	$1.21	Up 11%
Payroll Taxes	.19	.14	Up 36%
Property Operation	.28	.17	Up 65%
Snowmaking and Snow Removal	.18	.09	Up 100%
General & Administrative, & Miscellaneous	.80	.69	Up 16%
Marketing	.31	.22	Up 41%
Insurance	.24	.24	Even
Land Use Fees	.16	.13	Up 23%
Property Taxes	.09	.08	Up 13%
Other Taxes	.04	.03	Up 33%
	$3.63	$3.00	Up 21%

5. Revenue per skier visit: The 1979-80 revenue per skier visit was up 9.6 percent. The bar margin dropped, while all others increased slightly. Additional analysis is presented in Chapter VI.

TABLE 32

REVENUE PER SKIER VISIT

	1979-80	1978-79	1977-78	1976-77
Ski Lift Gross	$ 9.25	$ 8.47	$ 7.58	$ 6.79
Ski School Margin	.33	.31	.34	.23
Food Service Margin	.41	.32	.35	.37
Bar Margin	.17	.18	.13	a
Ski Shop Margin	.19	.18	.17	.18
Rental Margin	.43	.41	.51	.46
Other Margin	.14	.09	.07	.27
	$10.92	$ 9.96	$ 9.15	$ 8.30
Base	(131)	(124)	(114)	(127)

[a] Included in food service and/or other in prior years.

V

PROFITABILITY

The 1979-80 ski season recorded profits that were down from 1978-79. Only 74 percent of the reporting ski areas showed operating profits. The average ski area in the study reported a 12.1 percent operating profit on Gross Fixed Assets. This resulted in 22.9 percent for the top half of the profitable ski areas and 5.2 percent for the bottom half.

This chapter makes a comprehensive analysis of profitability, its probable causes, current trends, and proposed solutions. Data is presented in three categories, those in the top half of the profitable areas, those in the bottom half of the profitable areas, and those recording losses. Again the reader is urged to read the definitions of profitability used carefully because this chapter treats profitability in a non-typical but hopefully more meaningful way. The definition is operating profit and results in 34 areas with a loss rather than the 55 using traditional methods. However, this analysis permits a number of additional meaningful comparisons to be made, especially when they have varying capital structures. Due to the large number of tables presented, they will be found at the end of the chapter.

The proportion of ski areas showing profits decreased. Table 33 summarizes six profit indicators.

TABLE 33

HISTORICAL COMPARATIVE MEASURES OF PROFITABILITY

	1979-80	1978-79	1977-78	1976-77
Percent of Ski Areas Reporting Profits	74.0%	83.1%	93.0%	56.0%
Operating Profit on GFA	12.1	13.8	16.2	1.6
Profit (BT) on Equity	17.5	25.2	32.0	Loss
Profit (BT) on GFA	8.3	10.5	12.6	Loss
Profit (BT) Percent of Revenue	16.4	19.4	22.3	Loss
Profit (BT) in Dollars (000)	$348	$378	$389	($65)
Base	(131)	(124)	(114)	(127)

This chapter isolates both the physical and economic characteristics of profitable areas and compares them with those recording losses to see if any significant insights can be provided. Table 34 presents a summary of the ski area characteristics divided into three categories of profitability. Tables 35 through 38 contain income statement and balance sheet data in these three categories. The 97 profitable ski areas were based upon their ability to show an operating profit (i.e., before subtracting interest). Twenty-one did record losses after subtracting interest costs. The top half were selected based upon their return to GFA (i.e., as opposed to dollar amount of profits). Table 39 contains the critical economic ratios.

The past reports contained an analysis of the five most telling characteristics of the most profitable ski areas, the loss ski areas, and the three distinguishing characteristics of the bottom profit ski areas. In this report these past characteristics will be evaluated against current findings to evaluate progress or slippage.

Characteristics of the Top Half of the Profitable Ski Areas

The same five characteristics as in past studies are identified as the probable cause for higher profitability.

Probable Cause	Measure	Index[a]
1. Length of Season	135 days/nights	1.20
2. Revenue/Skier Visit	$11.30	1.03
3. Capital Cost/Capacity Ratio	$1,403	1.04
4. Size (VTF/Hour) (000)	6,730	1.35
5. Available Beds	4,580	1.48

Resulting Effect	Measure	Index[a]
Average Utilization	55.9%	1.17
Operating Profit (000)	1,282	2.53
Return on GFA	22.9%	1.89

[a] The index represents the relationship of this measure to the average ski area measure.

In each measure except size and length of season, the top profit ski areas gained again in 1979-80. The result saw the return to GFA increase slightly to 22.9 percnet and remain at a level commensurate with the risk.

None of the factors alone fully explain the better profitability; however, each favorable factor has a small effect, and together they increase profits dramatically.

1. Length of Season: The 49 top profit ski areas enjoyed an average of 135 "equivalent" days/nights of operation. They reported 103 days of full operation, 23 days at less than full but better than half open, 9 at less than half open, and 26 nights of operation. Their equivalent days amounted to 100 percent of actual days open. These 135 equivalent days/nights are 20 percent better than the average ski area and 85 percent better than the average of the ski areas with losses. This critical variable increases the earning power of these ski areas, and spreads the high fixed costs of ski area operation over a longer season. Its effect is particularly dramatic this year due to the major snow drought in the east. Seventy-four percent of those top profit ski areas were located in the Rockies and the West. The interesting fact is that 26 percent were found in the mid-west and east in spite of the weather.

2. Revenue Per Skier Visit: The most profitable ski areas continue to achieve a slightly higher average revenue per skier visit. First, ski lift ticket prices are 104 percent of average prices. Second, they succeed in less discounting, thus recording a lift revenue per skier visit that is 78.2 percent of the published adult weekend ticket price. Their margin from supporting services did not increase proportionally, thus the 1979-80 margins are 8 percent less than the average ski area. These 49 top profit ski areas recorded revenue per skier visit of $11.30, up 7 percent from 1978-79.

3. Capital Cost/Capacity Ratio: The top profit ski areas exceed the average Capital Cost/Capacity ratio again in 1979-80. This was coupled with a higher operating cost/capacity ratio, but they succeeded in achieving an increased overall return.

4. Type and Size of Area: The top profit ski areas are found again to be the larger ski areas with a greater local skier housing capability.

Characteristics of the Bottom Half of the Profitable Ski Areas

The major reason for the lower profitability reported by the bottom half of the profitable ski areas is again a lower utilization rate. The cause is not readily apparent. The index or relative measures of the five variables identified as the major reasons for the success of the top profit areas are summarized on the following page.

None of these factors alone explain the poorer profitability. However, the combination of a shorter season, lower revenue per skier visit, and a significantly lower utilization creates only marginal profits. In past studies a high operating cost/season capacity ratio reduced profitability. However, this cost aspect has been significantly reduced over the past three seasons, and in fact continues to illustrate a most favorable $3.25 per capacity skier per operating period, much less than the industry average of $3.63. Past studies also pointed to a failure to achieve adequate revenue per skier visit, but this past failing again continues to be improved in 1979-80.

Probable Cause	Measure	Index
1. Length of Season	119 days/nights	1.05
2. Revenue/Skier Visit	$10.09	.92
3. Capital Cost/Capacity Ratio	$1,209	.90
4. Size (VTF/Hour) (000)	4,388	.88
5. Available Beds	2,482	.80

Resulting Effect	Measure	Index
Average Utilization	39.6%	.83
Operating Profit (000)	$182	.36
Return on GFA	5.2%	.43

Characteristics of the Loss Ski Areas

The same five probable causes as applied to the loss areas illustrate the following:

Probable Cause	Measure	Index
1. Length of Season	73 days/nights	.65
2. Revenue/Skier Visit	$10.41	.95
3. Capital Cost/Capacity Ratio	$1,446	1.08
4. Size (VTF/Hour) (000)	3,248	.65
5. Available Beds	1,830	.59

Resulting Effect	Measure	Index
Average Utilization	33.3%	.70
Operating Profit (000)	($151)	Infinity
Return on GFA	Loss	-

All five causes combine to create losses. Sixty-five percent of the loss areas were east of the Great Plains where the worst snow drought in 48 years tested the survival instinct of the industry.

1. Length of Season: The relatively short operating season is the major cause. The 34 loss areas averaged 42 days of full operation; 21 days of less than full but better than half open; 27 days of less than half open; and 17 equivalent nights of operation. Their equivalent days amounted to 82 percent of actual days open.

2. **Revenue/Skier Visit:** Past studies identified discounting as a cause of lost revenue. Revenue per skier visit is 95 percent of the industry average, showing great improvement.

3. **Type and Size of Area:** The 34 loss areas were smaller areas with few local accommodations supporting them.

These identified basic short-comings combine to have a devastating effect on utilization and profitability.

Summary

These various favorable and unfavorable economic characteristics may be summarized using the rule of thumb ratio of total revenue as a percent of GFA to utilization.

	Total	Top Profit	Bottom Profit	Loss
Number of Areas	131	49	48	34
Total Revenue/GFA	51%	67%	43%	23%
Utilization	48%	56%	40%	33%
Factor	1.06	1.20	1.08	0.70
Judgment	Acceptable	Good	Aceeptable	Poor
1978-79 Factor	1.23	1.35	1.14	0.71

A factor of less than 1.00 indicates one or more critical characteristics are out of balance. All factors are down from 1978-79 levels, illustrating the cumulative effect of the weather.

TABLE 34

AVERAGE SKI AREA CHARACTERISTICS BY PROFITABILITY

	Total	Top Half Profit	Bottom Half Profit	Loss
SIZE				
VTF/Hour (000)	4,968	6,730	4,388	3,248
Gross Fixed Assets (000)	$4,176	$5,595	$3,524	$3,053
Skiable Acres	426	632	398	173
LOCATION				
Within 50 Miles of SMSA	33%	25%	44%	29%
With 6+ Areas in 1 Hour	31%	20%	31%	44%
New England	18%	0%	21%	41%
East	14%	16%	15%	9%
Midwest	15%	10%	19%	15%
Central Rockies	19%	33%	8%	15%
Northern Rockies	9%	6%	8%	12%
California and Nevada	11%	14%	10%	6%
Pacific Northwest	15%	21%	19%	3%
SITE CHARACTERISTICS				
Number of Beds at Base	682	1,532	241	79
Number of Beds (10 miles)	3,098	4,580	2,482	1,830
With Snowmaking	60%	51%	69%	59%
With Night Skiing	41%	37%	50%	30%
Terrain: Beginner	25%	27%	23%	24%
Intermediate	50%	47%	51%	53%
Expert	25%	27%	25%	23%
BUSINESS CHARACTERISTICS				
Operating With USFS Permit	50%	61%	46%	41%
Engaged in Land Development	34%	37%	38%	24%
OPERATIONAL CHARACTERISTICS				
Average Days/Nights of Operation	113	135	119	73
Average Peak Day Crowd	3,620	5,276	3,293	1,696
Average Skier Visits (000)	178	306	134	56
Average Age of Ski Areas	22 years	22 years	21 years	24 years
ECONOMIC CHARACTERISTICS				
Average Revenue/Skier Visit	$10.92	$11.30	$10.09	$10.41
Average Lift Ticket Revenue/Skier Visit	$ 9.25	$ 9.76	$ 8.24	$ 8.64
Average Adult Lift Ticket Price (Weekend)	$12.05	$12.48	$12.14	$11.32
Average Adult Lift Ticket Price (Weekday)	$10.60	$11.62	$10.33	$ 9.41
Average Night Ticket Price	$ 6.94	$ 6.86	$ 7.40	$ 6.09
Average Adult Season Ticket Price	$ 236	$ 249	$ 240	$ 214
Average Utilization	48%	56%	40%	33%
Average Profit (Loss) Before Tax	$ 348	$1.086	$ 25	$ (258)
Ratio: Revenue/GFA	51%	67%	43%	23%
Base	(131)	(49)	(48)	(34)

TABLE 35

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)	Your Ski Area
Gross Fixed Assets	$4,176	$5,595	$3,524	$3,053	$______
Revenue:					
Ski Lift Gross - Winter	$1,648	$2,991	$1,100	$ 487	$______
Ski Lift Gross - Summer	13	25	6	8	______
Supporting Margin - Winter	324	508	283	119	______
Supporting Margin - Summer	30	31	21	43	______
Year Round Margin	110	178	94	34	______
TOTAL REVENUE	$2,125	$3,733	$1,504	$ 691	$______
Less:					
Ski Lift Direct Expense	$ 500	$ 828	$ 368	$ 216	$______
Payroll Taxes	70	97	66	38	______
Property Operation	104	132	104	65	______
OPERATIONS MARGIN	$1,451	$2,676	$ 966	$ 372	$______
Less:					
General & Administrative	$ 273	$ 422	$ 220	$ 135	$______
Marketing (advertising, public relations, promotion, etc.)	114	166	93	70	______
Insurance (property, liability)	90	131	75	53	______
Land Use Fees (public)	43	87	18	15	______
Land Use Fees (private)	16	28	11	5	______
Property Taxes	32	47	25	20	______
Other Taxes (not income)	17	28	16	4	______
Snowmaking	62	46	84	53	______
Snow Removal	7	12	6	2	______
Miscellaneous	24	41	14	12	______
Depreciation & Amortization	266	386	222	154	______
OPERATING PROFIT (LOSS)	$ 507	$1,282	$ 182	$ (151)	$______
Less: Interest	159	196	157	107	______
PROFIT (LOSS) BEFORE TAX	$ 348	$1,086	$ 25	$ (258)	$______
Base	(131)	(49)	(48)	(34)	

TABLE 36

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY PROFITABILITY

	Percent of Gross Fixed Assets				Your Ski Area
	Total	Top Half	Bottom Half	Loss	
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:					
Ski Lift Gross - Winter	39.5%	53.5%	31.2%	16.0%	____%
Ski Lift Gross - Summer	0.3	0.4	0.2	0.3	____
Supporting Margin - Winter	7.8	9.1	8.0	3.9	____
Supporting Margin - Summer	0.7	0.6	0.6	1.4	____
Year Round Margin	2.6	3.2	2.7	1.1	____
TOTAL REVENUE	50.9%	66.7%	42.7%	22.6%	____%
Less:					
Ski Lift Direct Expense	12.0%	14.8%	10.4%	7.1%	____%
Payroll Taxes	1.7	1.7	1.9	1.2	____
Property Operation	2.5	2.4	3.0	2.1	____
OPERATIONS MARGIN	34.7%	47.8%	27.4%	12.2%	____%
Less:					
General & Administrative	6.5%	7.5%	6.2%	4.4%	____%
Marketing (advertising, public relations, promotion, etc.)	2.7	3.0	2.6	2.3	____
Insurance (property, liability)	2.2	2.3	2.1	1.7	____
Land Use Fees (public)	1.0	1.6	0.5	0.5	____
Land Use Fees (private)	0.4	0.5	0.3	0.2	____
Property Taxes	0.8	0.8	0.7	0.7	____
Other Taxes (not income)	0.4	0.5	0.5	0.1	____
Snowmaking	1.5	0.8	2.4	1.7	____
Snow Removal	0.2	0.2	0.2	0.1	____
Miscellaneous	0.6	0.7	0.4	0.4	____
Depreciation & Amortization	6.4	6.9	6.3	5.0	____
OPERATING PROFIT (LOSS)	12.1%	23.0%	5.2%	(4.9)%	____%
Less: Interest	3.8	3.5	4.5	3.5	____
PROFIT (LOSS) BEFORE TAX	8.4%	19.5%	.7%	(8.4)%	____%
Base	(131)	(49)	(48)	(34)	

TABLE 37

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY PROFITABILITY

	Percent of Revenue				Your Ski Area
	Total	Top Half	Bottom Half	Loss	
Revenue:					
Ski Lift Gross - Winter	77.6%	80.1%	73.1%	70.5%	____%
Ski Lift Gross - Summer	0.6	0.7	0.4	1.2	____
Supporting Margin - Winter	15.2	13.6	18.8	17.2	____
Supporting Margin - Summer	1.4	0.8	1.4	6.2	____
Year Round Margin	5.2	4.8	6.3	4.9	____
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%
Less:					
Ski Lift Direct Expense	23.5%	22.2%	24.5%	31.3%	____%
Payroll Taxes	3.3	2.6	4.4	5.5	____
Property Operation	4.9	3.5	6.9	9.4	____
OPERATIONS MARGIN	68.3%	71.7%	64.2%	53.8%	____%
Less:					
General & Administrative	12.8%	11.3%	14.6%	19.5%	____%
Marketing (advertising, public relations, promotion, etc.)	5.4	4.4	6.2	10.1	____
Insurance (property, liability)	4.2	3.5	5.0	7.7	____
Land Use Fees (public)	2.0	2.3	1.2	2.2	____
Land Use Fees (private)	0.8	0.8	0.7	0.7	____
Property Taxes	1.5	1.3	1.7	2.9	____
Other Taxes (not income)	0.8	0.8	1.1	0.6	____
Snowmaking	2.9	1.2	5.6	7.7	____
Snow Removal	0.3	0.3	0.4	0.3	____
Miscellaneous	1.1	1.1	0.9	1.7	____
Depreciation & Amortization	12.5	10.3	14.8	22.3	____
OPERATING PROFIT (LOSS)	23.9%	34.4%	12.0%	(21.9)%	____%
Less: Interest	7.5	5.3	10.4	15.5	____
PROFIT (LOSS) BEFORE TAX	16.4%	29.1%	1.6%	(37.4)%	____%
Base	(131)	(49)	(48)	(34)	

TABLE 38

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)
Assets:				
Current Assets	$ 738	$1,324	$ 416	$ 322
Gross Fixed Assets	4,246	5,663	3,562	3,106
Less: Depreciation	(1,618)	(1,998)	(1,532)	(1,169)
Other Assets	976	2,097	331	217
TOTAL ASSETS	$4,342	$7,086	$2,777	$2,476
Liability & Net Worth				
Current Liabilities	$ 602	$ 808	$ 540	$ 381
Long-Term Debt	1,165	1,601	986	771
Subordinated Debt	422	505	254	540
Deferred Taxes	101	218	45	7
Other Liabilities	66	122	42	13
Net Worth				
Invested	1,215	1,904	623	1,034
Retained Earnings	771	1,928	287	(270)
TOTAL LIABILITIES & NET WORTH	$4,342	$7,086	$2,777	$2,476
Base	(126)	(48)	(46)	(32)

TABLE 39

ECONOMIC RATIOS–BY PROFITABILITY

	Total	Top Half	Bottom Half	Loss	Your Ski Area
VTF/Hour (000)	4,968	6,730	4,388	3,248	____
VTF/Hour - Demand/Skier Visit	1,598	1,687	1,505	1,539	____
Skier Capacity	3,109	3,989	2,916	2,111	____
Days/Nights of Operation	113	135	119	73	____
Season Capacity (000)	372	547	338	168	____
Actual Skier Visits (000)	178	306	134	56	____
Profit (Loss) Before Tax (000)	$ 348	$1,086	$ 25	$(258)	$____
Plus: Depreciation (000)	$ 266	$ 386	$ 222	$ 154	$____
Before Tax Cash Flow (000)	$ 614	$1,472	$ 247	$(104)	$____
Operating Profit (Loss) (000)	$ 507	$1,282	$ 182	$(151)	$____
Cash Operating Costs (000)	$1,352	$2,065	$1,100	$ 688	$____
Gross Fixed Assets (000)	$4,176	$5,595	$3,524	$3,053	$____
Secured Debt (000)	$1,587	$2,106	$1,240	$1,311	$____
Equity (000)	$1,986	$3,832	$ 910	$ 764	$____
Critical Ratios					
Health (Debt to Cash Flow)	2.6X	1.4X	5.0X		____X
Profitability:					
Operating Profit on GFA	12.1%	22.9%	5.2%	Loss	____%
Profit (BT) on Equity	17.5%	28.3%	2.7%	Loss	____%
Performance:					
Average Utilization	47.9%	55.9%	39.6%	33.3%	____%
Days/Nights of Operation	113	135	119	73	____
Policy & Planning:					
Capital/Capacity Ratio	$1,343	$1,403	$1,209	$1,446	$____
Operating/Capacity Ratio	$ 3.63	$ 3.78	$ 3.25	$ 4.10	$____
Revenue/Skier Visit:					
Ski Lift Gross	$ 9.25	$ 9.76	$ 8.24	$ 8.64	$____
Ski School Margin	$ .33	$ .32	$ .38	$ .22	$____
Food Service Margin	$ .41	$ .40	$ .42	$ .41	$____
Bar Margin	$ .17	$ .13	$ .23	$ .22	$____
Ski Shop Margin	$ .19	$ .18	$ .18	$ .23	$____
Ski Rental Margin	$ .43	$ .37	$ .51	$ .56	$____
Other Margin	$ .14	$ .14	$ .13	$ .13	$____
Total - Revenue/Skier Visit	$10.92	$11.30	$10.09	$10.41	$____
Base	(131)	(49)	(48)	(34)	

VI

SKI AREA DEPARTMENTAL OPERATIONS

Skiers require a variety of supporting services in order to participate in their sport. In general, these services are revenue producers and each should be organized to provide some contribution to gross margin.

Departmental Operations

Table 40 summarizes the departmental operations for 12 departments during both winter and summer seasons. Since the range of supporting services varies substantially, this data represents averages from among only those areas who reported owning and operating such supporting services. The number of ski areas reporting such operations is noted in the right hand column labeled "base." For example, only 30 ski areas or 23 percent reported operating accommodations, thus the data shown is from a sample of only 30.

In addition to the departmental direct cost breakdown, Table 40 includes gross sales per skier visit for the seven major categories. These departments account for 85 percent of ski area gross revenue. These averages have also been calculated using only those ski areas that report owning and operating these departments. Thus, the gross margins calculated from Table 40 will not equate with the average ski industry margins shown with the economic ratios (Table 31). For instance, the bar department margin on Table 40 amounts to $0.35/skier visit, whereas on Table 31 it is shown as $0.17/skier visit. While the industry average is based on all 131 respondents, the Table 40 data is based on only the 74 respondents who have a bar as part of their operation.

One upgraded item involves cost of goods sold in the rental department. The 1978-79 and 1979-80 surveys asked specifically for including a rental equipment depreciation allowance under cost of goods sold since this equipment is typically replaced every three to five seasons.

Tables 41 through 43 summarize departmental data by profitability. This breakdown is also included by ski area type (Tables 44-46) and by geographic region (Chapter VII, Table 58).

Ski Area Concessions

Table 47 summarizes ski area concession operations.

Ski Area Employment

Tables 48 and 49 summarize ski area employment. These 131 ski areas employed an average of 20,300 persons daily. If the balance of the ski areas had similar staffing, the ski area industry employed an average of 40,600 persons daily.

Ski Lift Department Detail

Table 50 contains the ski lift department breakdowns.

Ski Area Insurance Costs

Ski area insurance costs have been a major concern of the industry over the recent past. Seventy-nine ski areas provided data concerning property, etc., and liability insurance costs. Their cost experience was:

Property Insurance Expense	$ 43,076	(40.6%)
Liability Insurance Expense	62,898	(59.4%)
Total Insurance Expense	$105,974	(100.0%)

Fifty-one ski areas lumped their insurance costs together and reported a cost of $67,902. Assuming that the property/liability ratio remains the same for the 51 ski areas who provided only one lumped figure results in allocating 40.6 percent to property and 59.4 percent to liability. Thus, the 1979-80 figures probably look like this:

Cost–Property Insurance	$36,679	(40.6%)
Cost–Liability Insurance	53,664	(59.4%)
Cost–Total Insurance	$90,343	(100.0%)

Logically property insurance is some function of the property value, while liability insurance is typically measured as a percent of revenue. Thus the following relationships have been calculated:

Property Insurance / Gross Fixed Assets
$36,679 / $4,176,244 = 0.9%

Liability Insurance / Total Revenue
$53,664 / $2,125,000 = 2.5%

Liability Insurance / Gross Operating Revenue[a]
$53,664 / $2,653,748 = 2.0%

[a] For purposes of this measure Gross Operating Revenue is defined as all gross revenue less real estate and utility departmental revenue and less all concession revenue.

TABLE 40

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN TOTAL SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$9.253	100.0%	- %	18.5%	11.1%	70.4%	(131)
Ski School	1.122	100.0	-	59.1	8.3	32.6	(101)
Food Service	1.993	100.0	38.4	27.3	10.2	24.1	(99)
Bar	.847	100.0	29.0	20.8	9.7	40.5	(74)
Retail	1.251	100.0	59.2	11.9	5.1	23.8	(69)
Rental	.979	100.0	13.4[a]	20.6	6.1	59.9	(90)
Accommodations	-	100.0	-	28.6	35.3	36.1	(30)
Other	.321	100.0	9.3	27.0	14.6	49.1	(95)
	$15.766						
YEAR ROUND:							
Real Estate		100.0	40.1	10.0	10.2	39.7	(23)
Utility		100.0	-	44.3	148.0	(92.3)	(16)
Miscellaneous		100.0	13.2	5.5	9.0	72.3	(64)
SUMMER SEASON:							
Lift Department		100.0	-	39.5	28.2	32.3	(22)
Food Service		100.0	41.2	41.0	18.0	(0.2)	(31)
Retail		100.0	49.7	29.8	10.2	10.3	(21)
Sports		100.0	-	45.8	35.1	19.1	(27)
Accommodations		100.0	-	36.6	28.2	35.2	(18)
Slide		100.0	3.0	21.3	16.1	59.6	(11)

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[a] Represents retirement and replacement of rental equipment.

TABLE 41

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN TOP PROFIT SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 9.764	100.0%	- %	17.4%	9.8%	72.8%	(49)
Ski School	1.191	100.0	-	61.7	7.9	30.4	(38)
Food Service	1.922	100.0	38.6	27.3	10.2	23.9	(38)
Bar	.858	100.0	29.1	20.8	10.2	39.9	(26)
Retail	1.131	100.0	55.8	11.3	5.1	27.8	(26)
Rental	.903	100.0	13.1[a]	21.9	7.0	58.0	(35)
Accommodations	-	100.0	-	27.7	33.1	39.2	(10)
Other	.320	100.0	9.3	24.8	15.3	50.6	(35)
	$16.089						
YEAR ROUND:							
Real Estate		100.0	41.3	12.3	12.7	33.6	(10)
Utility		100.0	-	79.0	208.1	(187.1)	(2)
Miscellaneous		100.0	5.5	3.2	7.7	83.6	(24)
SUMMER SEASON:							
Lift Department		100.0	-	27.2	25.6	47.2	(9)
Food Service		100.0	39.7	44.3	24.5	(8.5)	(13)
Retail		100.0	49.8	22.2	7.8	20.2	(7)
Sports		100.0	-	24.1	15.1	60.8	(8)
Accommodations		100.0	-	45.0	29.3	25.7	(8)
Slide		100.0	5.7	21.1	11.9	61.3	(5)

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[a] Represents retirement and replacement of rental equipment.

TABLE 42

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN BOTTOM PROFIT SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 8.241	100.0%	- %	19.7%	13.2%	67.1%	(48)
Ski School	.980	100.0	-	48.1	9.1	42.8	(38)
Food Service	2.080	100.0	36.8	26.7	10.4	26.1	(37)
Bar	.785	100.0	28.5	19.8	8.7	43.0	(33)
Retail	1.322	100.0	62.2	12.5	5.5	19.8	(28)
Rental	1.089	100.0	13.4[a]	18.1	5.0	63.4	(34)
Accommodations	-	100.0	-	27.2	39.2	33.6	(15)
Other	.320	100.0	8.7	30.7	15.3	45.3	(38)
	$14.817						
YEAR ROUND:							
Real Estate		100.0	40.3	5.7	6.3	47.7	(8)
Utility		100.0	-	40.6	141.6	(82.3)	(14)
Miscellaneous		100.0	24.6	8.8	10.8	55.9	(31)
SUMMER SEASON:							
Lift Department		100.0	-	80.7	23.6	(4.3)	(6)
Food Service		100.0	42.3	36.8	11.0	9.8	(9)
Retail		100.0	40.5	50.2	21.1	(11.8)	(6)
Sports		100.0	-	49.5	42.8	7.7	(9)
Accommodations		100.0	-	32.1	26.2	41.7	(5)
Slide		100.0	-	19.5	34.6	46.0	(3)

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[a] Represents retirement and replacement of rental equipment.

TABLE 43

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN LOSS SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 8.639	100.0%	- %	24.3%	18.4%	57.2%	(34)
Ski School	1.003	100.0	-	66.8	9.5	23.8	(25)
Food Service	2.237	100.0	41.7	28.9	9.6	19.7	(24)
Bar	1.040	100.0	29.7	24.0	10.7	35.6	(15)
Retail	1.742	100.0	65.4	12.8	4.4	17.4	(15)
Rental	1.158	100.0	15.3[a]	21.0	4.4	59.4	(21)
Accommodations	-	100.0	-	34.3	28.6	37.1	(5)
Other	.328	100.0	12.2	31.0	6.3	50.5	(22)
	$16.147						
YEAR ROUND:							
Real Estate		100.0	28.2	9.8	6.0	56.0	(5)
Utility		100.0	-	-	-	-	(-)
Miscellaneous		100.0	-	3.5	8.0	88.5	(9)
SUMMER SEASON:							
Lift Department		100.0	-	51.8	44.0	4.1	(7)
Food Service		100.0	42.8	41.4	15.9	(0.2)	(9)
Retail		100.0	63.6	27.7	2.7	6.0	(8)
Sports		100.0	-	48.2	33.3	18.5	(10)
Accommodations		100.0	-	35.9	29.0	35.1	(5)
Slide		100.0	-	23.4	9.4	67.1	(3)

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[a] Represents retirement and replacement of rental equipment.

TABLE 44

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN VACATION ORIENTED SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$10.098	100.0%	- %	18.9%	10.6%	70.5%	(39)
Ski School	1.386	100.0	-	64.2	8.1	27.8	(33)
Food Service	2.321	100.0	35.8	28.0	10.4	25.8	(28)
Bar	.996	100.0	27.5	21.1	9.9	41.4	(20)
Retail	1.331	100.0	56.8	11.9	5.6	25.8	(16)
Rental	.793	100.0	13.3[a]	20.0	5.7	61.1	(26)
Accommodations	-	100.0	-	28.5	36.5	35.0	(18)
Other	.366	100.0	8.4	27.5	9.9	54.2	(24)
	$17.291						
YEAR ROUND:							
Real Estate		100.0	40.6	10.3	10.1	38.9	(12)
Utility		100.0	-	39.6	120.3	(59.9)	(6)
Miscellaneous		100.0	7.3	5.6	10.0	77.1	(22)
SUMMER SEASON:							
Lift Department		100.0	-	39.5	30.6	29.9	(14)
Food Service		100.0	40.4	41.3	19.9	(1.6)	(11)
Retail		100.0	48.7	26.9	10.5	13.9	(9)
Sports		100.0	-	49.6	39.9	10.5	(15)
Accommodations		100.0	-	37.4	26.6	36.1	(12)
Slide		100.0	15.8	36.7	6.6	40.8	(3)

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[a] Represents retirement and replacement of rental equipment.

TABLE 45

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
DAY SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 7.294	100.0%	- %	20.4%	13.2%	66.4%	(62)
Ski School	.771	100.0	-	53.5	10.1	36.4	(45)
Food Service	1.466	100.0	41.2	26.4	9.2	23.2	(50)
Bar	.729	100.0	30.0	20.3	10.2	39.5	(40)
Retail	.986	100.0	63.5	14.0	5.7	16.8	(38)
Rental	1.220	100.0	12.8[a]	19.6	7.2	60.5	(46)
Accommodations	-	100.0	-	34.4	22.2	43.3	(5)
Other	.312	100.0	12.3	25.2	23.9	38.6	(48)
	$12.778						
YEAR ROUND:							
Real Estate		100.0	13.4	9.3	16.7	60.5	(4)
Utility		100.0	-	62.6	44.9	(7.5)	(6)
Miscellaneous		100.0	0.2	7.7	5.3	86.8	(27)
SUMMER SEASON:							
Lift Department		100.0	-	9.1	6.1	84.8	(4)
Food Service		100.0	43.7	15.3	15.3	25.8	(6)
Retail		100.0	80.0	10.0	-	10.0	(2)
Sports		100.0	-	60.3	10.3	29.3	(4)
Accommodations		100.0	-	-	-	-	(-)
Slide		100.0	-	24.2	24.7	51.1	(3)

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[a] Represents retirement and replacement of rental equipment.

TABLE 46

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN WEEKEND SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$10.036	100.0%	- %	15.8%	11.0%	73.2%	(27)
Ski School	.973	100.0	-	48.5	7.3	44.2	(22)
Food Service	2.169	100.0	41.1	26.9	10.9	21.1	(20)
Bar	.919	100.0	29.3	21.4	8.0	41.3	(14)
Retail	1.580	100.0	57.6	9.7	3.8	28.9	(14)
Rental	.910	100.0	15.0[a]	23.9	4.5	56.6	(17)
Accommodations	-	100.0	-	27.7	32.3	40.0	(7)
Other	.259	100.0	6.7	29.0	10.4	53.9	(22)
	$16.846						
YEAR ROUND:							
Real Estate		100.0	41.8	8.4	9.4	40.4	(7)
Utility		100.0	-	41.3	198.2	(139.5)	(4)
Miscellaneous		100.0	26.4	4.6	8.9	60.0	(15)
SUMMER SEASON:							
Lift Department		100.0	-	43.5	17.3	39.2	(4)
Food Service		100.0	42.1	44.1	15.5	(1.7)	(14)
Retail		100.0	50.9	36.5	10.0	2.6	(10)
Sports		100.0	-	18.3	11.4	70.3	(8)
Accommodations		100.0	-	32.3	37.7	29.9	(6)
Slide		100.0	-	16.5	17.2	66.2	(5)

[a] Represents retirement and replacement of rental equipment.

TABLE 47

SKI AREA CONCESSION OPERATIONS

Supporting Departments	Percent of Ski Areas Do Not Have	Own	Concession	Average Concession Revenue (000)
WINTER SEASON:				
Ski School	1.6%	78.6%	19.8%	$ 27.6
Food Service	0.8	76.3	22.9	62.1
Bar	26.7	58.8	14.5	37.1
Retail Shop	16.1	53.4	30.5	19.5
Rental Shop	6.9	69.5	23.7	21.5
Accommodations	73.3	22.1	4.6	21.5
SUMMER SEASON:				
Food Service	70.2	24.4	5.3	10.5
Retail Shop	79.4	18.3	2.3	19.0
Sports Department	76.3	22.1	1.5	33.5
Accommodations	83.9	14.5	1.5	16.0
Slide	90.1	8.4	1.5	53.0

TABLE 48

NUMBER OF EMPLOYEES PER AVERAGE DAY, BY DEPARTMENT

	Lift	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accom-moda-tions	Other	Total[a]
Total Sample	42	27	24	7	4	4	26	32	132
Geographic:									
New England	36	20	19	4	5	5	33	36	125
East & Ontario	24	18	26	8	5	3	62	26	113
Midwest	15	6	12	5	3	3	5	13	55
Central Rockies	73	55	36	8	3	6	26	29	189
Northern Rockies	42	37	15	4	5	3	15	18	112
California & Nevada	76	42	50	16	5	8	30	79	260
Pacific Northwest	32	13	18	5	4	4	17	19	85
Type:									
Day	24	14	11	6	3	2	10	16	69
Weekend	52	27	30	10	5	6	15	47	163
Vacation	69	51	45	8	6	8	38	50	228
Weekend Only	4	4	2	2	-	2	-	1	11
Profitability:									
Top Profit	71	50	43	12	6	7	30	43	213
Bottom Profit	30	15	17	5	4	4	25	33	102
Loss	23	14	10	4	2	2	22	16	68
By Size (000) (VTF/Hour):									
Under 1,000	5	4	3	2	1	1	1	4	17
1,000 - 2,499	13	9	8	5	2	2	32	13	51
2,500 - 3,999	26	16	13	6	3	3	10	21	81
4,000 - 5,499	35	25	23	6	5	4	29	24	119
Over 5, 500	93	59	58	12	7	10	35	68	272

[a] Will not add due to various different base responses.

TABLE 49

NUMBER OF EMPLOYEES PER PEAK DAY BY DEPARTMENTS

	Lift	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accommodations	Other	Total[a]
Total Sample	53	50	36	11	7	7	36	40	194
Geographic:									
New England	52	44	36	9	7	8	40	56	208
East & Ontario	36	37	39	12	9	5	92	34	176
Midwest	24	15	25	11	7	5	23	19	106
Central Rockies	85	89	48	12	5	9	47	36	258
Northern Rockies	57	56	26	9	8	4	20	24	164
California & Nevada	89	66	52	21	6	10	27	89	321
Pacific Northwest	43	47	28	9	7	7	19	26	146
Type:									
Day	35	37	21	10	5	5	9	22	123
Weekend	59	43	36	14	8	7	14	49	206
Vacation	83	78	64	12	9	11	55	65	314
Weekend Only	7	16	4	5	-	5	-	-	32
Profitability:									
Top Profit	78	73	54	16	9	9	46	49	271
Bottom Profit	43	42	30	10	6	6	34	45	172
Loss	34	30	19	7	4	5	28	21	114
By Size (000) (VTF/Hour):									
Under 1,000	10	16	8	5	2	2	2	11	50
1,000 - 2,499	19	20	13	8	4	4	48	51	85
2,500 - 3,999	38	37	25	11	6	5	11	24	132
4,000 - 5,499	47	49	38	11	8	6	48	31	190
Over 5, 500	110	96	80	17	12	14	45	86	369

[a] Will not add due to various different base responses.

TABLE 50

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN BY PROFITABILITY

	Total Sample	High	Low	Loss	Your Ski Area
SKI LIFT GROSS:					
Revenue (Winter)	100.0%	100.0%	100.0%	100.0%	____%
LESS:					
Ski Lift Payroll	6.7	6.1	6.9	11.5	____
Ski Patrol Payroll	3.1	3.1	2.8	3.7	____
Slope Maintenance Payroll	2.1	2.1	1.8	2.9	____
Maintenance & Repair Payroll	3.7	3.4	4.4	4.5	____
Ticket Sales Payroll	1.3	1.1	1.6	1.2	____
Other Payroll	1.6	1.5	2.3	.4	____
TOTAL PAYROLL	18.5	17.4	19.7	24.3	____
OTHER DIRECT	11.1	9.8	13.2	18.4	____
GROSS MARGIN	70.4%	72.8%	67.1%	57.2%	____%
Base	(131)	(49)	(48)	(34)	

VII

REGIONAL SKI AREA CHARACTERISTICS

This chapter offers a look at ski area similarities and differences by geographic regions. Table 51 summarizes the significant ski area characteristics, while Table 52 presents the eight critical variables by geographic location. Tables 53-55 contain average regional area income statements compared to both gross fixed assets and revenue. Table 56 illustrates lift department direct costs. Table 57 breaks out the regional balance sheets. Table 58 summarizes departmental breakdowns. Again due to the large number of tables, they all appear at the end of the chapter.

Observations

The larger areas are found in the Rockies and the West where the mountains are larger and the snow cover deeper and more dependable. This also means that the Rockies contain a larger share of the vacation areas while the other sections are heavy on day use areas. There are many more beds at Rockies areas, again indicative of their focus on vacation destination resorts.

Eastern and Midwestern areas depend heavily upon snowmaking. Divisions of terrain by difficulty appear rather standard all across the nation. This can be misleading as each ski area classifies their terrain in relation to other terrain at that area. What in Colorado may be more difficult (intermediate) might be most difficult (expert) in Wisconsin.

Variations in profitability are most evident when analyzing data on this geographic regional breakdown. Winter weather is the most significant factor, followed by population concentrations.

Table 50-A summarizes the critical performance variable operating profit on GFA for each region over the past five seasons. The California-Nevada region illustrates the most consistently high returns combining reasonable winter weather patterns with a high population concentration.

New England and the Midwest regions record the poorest average returns. While both regions enjoy high population concentrations New England profitability is impacted by relatively short average seasons and high operating cost/capacity ratios. The Midwest ski areas illustrate both a relatively low utilization and low revenue per skier-visit.

The East and Ontario region illustrates remarkable balance in the critical factors resulting in excellent earning power and a steady annual performance. They, too, are blessed with high population concentrations, fickle weather patterns and relatively short seasons. However, with a dependance on snowmaking, a high proportion (78 percent) of night operations, an above average utilization, reasonable revenue per skier-visit, and control over operating costs these "banana belt" ski areas deserve high marks.

The Central Rockies areas show steady progress and growth. Profitability is high based on long seasons, high utilizations, high revenues per skier-visit and a high operating cost/capacity ratio. The Central Rockies areas have the highest concentration of vacation oriented ski resorts.

The Northern Rockies areas achieve a rather steady 16 percent return with lower prices and revenue per skier-visit coupled with considerably lower operating cost/capacity ratios.

The Pacific Northwest region ski areas, including six Western Canadian ski areas, have a distinctly different business philosophy. Prices, revenue per skier-visit, operating cost and utlization are all well below ski industry averages. The results, as measured by operating profit on GFA, are only slightly below industry standards, and the before tax return to equity at 31.5 percent is the highest.

TABLE 50A

FIVE YEAR COMPARISON
OPERATING PROFIT ON GFA

	1975-76	1976-77	1977-78	1978-79	1979-80
New England	6.7%	11.2%	9.5%	7.8%	Loss
East & Ontario	8.1	14.0	24.7	12.0	10.3%
Midwest	6.0	10.2	11.8	3.7	2.5
Central Rockies	14.2	Loss	15.9	18.4	19.2
Northern Rockies			16.9	16.3	16.4
California & Nevada	9.3	Loss	27.4	20.0	23.9
Pacific Northwest			15.3	8.3	11.0
TOTAL SAMPLE	10.5%	1.6%	16.2%	13.8%	12.1%

TABLE 51

AVERAGE SKI AREA CHARACTERISTICS BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
SIZE							
VTF/Hour (000)	5,491	2,949	2,112	6,921	5,403	7,099	4,700
Gross Fixed Assets (000)	$5,423	$3,202	$1,897	$6,043	$2,884	$5,953	$2,855
Skiable Acres	170	115	73	434	888	598	900
LOCATION							
Within 50 Miles of SMSA	17%	56%	47%	16%	46%	43%	25%
With 6+ Areas in 1 Hour	83%	22%	21%	12%	18%	50%	0%
SITE CHARACTERISTICS							
Number of Beds at Base	292	103	149	1,791	500	1,763	135
Number of Beds (10 Miles)	2,648	1,412	1,608	6,367	1,533	7,288	411
With Snowmaking	83%	94%	90%	52%	27%	43%	10%
With Night Skiing	16%	78%	84%	4%	30%	22%	55%
Terrain: Beginner	24%	25%	30%	25%	20%	26%	24%
Intermediate	57%	52%	49%	45%	53%	48%	48%
Expert	20%	23%	21%	30%	27%	26%	29%
BUSINESS CHARACTERISTICS							
Operating With USFS Permit	29%	0%	5%	96%	91%	79%	65%
Engaged in Land Development	54%	39%	32%	24%	27%	14%	35%
OPERATIONAL CHARACTERISTICS							
Average Days/Nights of Operation	59	99	128	126	119	138	141
Average Peak Day Crowd	2,947	3,615	2,179	4,089	3,678	5,346	3,974
Average Skier Visits (000)	104	124	73	295	174	339	160
Average Age of Ski Areas	25 years	19 years	22 years	22 years	28 years	22 years	20 years
ECONOMIC CHARACTERISTICS							
Average Revenue/Skier Visit	$12.62	$ 9.99	$ 9.70	$ 11.68	$ 8.62	$ 12.51	$ 7.95
Avg. Lift Ticket Revenue/S-V	$10.26	$ 7.57	$ 7.30	$ 10.38	$ 7.76	$ 10.66	$ 6.71
Avg. Adult Lift Ticket Price (Weekend)	$13.69	$ 12.75	$ 11.67	$ 12.11	$ 9.82	$ 13.04	$ 10.29
Avg. Adult Lift Ticket Price (Weekday)	$11.22	$ 10.06	$ 9.51	$ 11.82	$ 9.50	$ 12.57	$ 9.19
Average Night Ticket Price	$ 6.12	$ 7.68	$ 6.66	$ 6.00	$ 6.00	$ 6.17	$ 7.36
Avg. Adult Season Ticket Price	$ 290	$ 225	$ 175	$ 258	$ 211	$ 277	$ 204
Average Utilization	42%	62%	26%	66%	49%	48%	35%
Average Profit (Loss) Before Tax	$ (241)	$ 219	$ (38)	$ 930	$ 360	$ 1,158	$ 237
Ratio: Revenue/GFA	30%	46%	41%	61%	58%	73%	47%
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 52

ECONOMIC RATIOS–BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
VTF/Hour (000)	5,491	2,949	2,112	6,921	5,403	7,099	4,700
VTF/Hour - Demand/Skier Visit	1,500	1,500	1,000	2,000	2,000	1,500	1,531
Skier Capacity	3,661	1,966	2,112	3,460	2,701	4,733	3,069
Days/Nights of Operation	59	99	128	126	119	138	141
Season Capacity (000)	248	199	277	445	353	704	453
Actual Skier Visits (000)	104	124	73	295	174	339	160
Profit (Loss) Before Tax (000)	$(241)	$ 219	$(38)	$ 930	$ 360	$1,158	$ 237
Plus: Depreciation (000)	$ 284	$ 192	$ 117	$ 427	$ 185	$ 452	$ 162
Before Tax Cash Flow (000)	$ 43	$ 411	$ 79	$1,357	$ 545	$1,610	$ 399
Operating Profit (Loss) (000)	$(34)	$ 329	$ 47	$1,160	$ 474	$1,422	$ 314
Cash Operating Costs (000)	$1,353	$ 944	$ 607	$2,129	$1,006	$2,498	$ 861
Gross Fixed Assets (000)	$5,423	$3,202	$1,897	$6,043	$2,884	$5,953	$2,855
Secured Debt (000)	$2,310	$ 891	$ 488	$2,856	$1,362	$1,344	$1,170
Equity (000)	$1,466	$1,518	$ 633	$4,131	$1,345	$3,871	$ 753
Critical Ratios							
Health (Debt to Cash Flow)	53.7X	2.2X	6.2X	2.1X	2.5X	0.8X	2.9X
Profitability:							
Operating Profit on GFA	Loss	10.3%	2.5%	19.2%	16.4%	23.9%	11.0%
Profit (BT) on Equity	Loss	14.4%	Loss	22.5%	26.8%	29.9%	31.5%
Performance:							
Average Utilization	41.9%	62.3%	26.4%	66.3%	49.3%	48.2%	35.3%
Days/Nights of Operation	59	99	128	126	119	138	141
Policy & Planning:							
Capital/Capacity Ratio	$1,481	$1,629	$ 898	$1,747	$1,068	$1,258	$ 930
Operating/Capacity Ratio	$ 5.46	$ 4.74	$ 2.19	$ 4.78	$ 2.85	$ 3.55	$ 1.90
Revenue/Skier Visit:							
Ski Lift Gross	$10.26	$ 7.57	$ 7.30	$10.38	$ 7.76	$10.66	$ 6.71
Ski School Margin	$ .31	$ .77	$ .22	$ .37	$ .15	$ .35	$ .05
Food Service Margin	$ .69	$ .33	$ .46	$ .42	$ .25	$ .37	$ .34
Bar Margin	$ .36	$ .28	$ .35	$ .06	$ .12	$ .11	$ .24
Ski Shop Margin	$ .33	$ .15	$ .13	$ .14	$ .08	$ .30	$ .12
Ski Rental Margin	$ .54	$ .77	$ 1.09	$ .25	$ .09	$ .44	$ .38
Other Margin	$ .13	$ .12	$ .15	$ .06	$ .17	$ .28	$ .11
Total - Revenue/Skier Visit	$12.62	$ 9.99	$ 9.70	$11.68	$ 8.62	$12.51	$ 7.95
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 53

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY GEOGRAPHIC LOCATION

	New England (000)	East & Ontario (000)	Midwest (000)	Central Rockies (000)	Northern Rockies (000)	California & Nevada (000)	Pacific Northwest (000)
Gross Fixed Assets	$5,423	$3,202	$1,897	$6,043	$2,884	$5,953	$2,855
Revenue:							
Ski Lift Gross - Winter	$1,064	$ 943	$ 533	$3,059	$1,346	$3,615	$1,070
Ski Lift Gross - Summer	23	1	-	13	2	39	16
Supporting Margin - Winter	298	357	205	388	160	670	210
Supporting Margin - Summer	76	79	17	(9)	9	2	26
Year Round Margin	142	85	16	265	148	46	15
TOTAL REVENUE	$1,603	$1,465	$ 771	$3,716	$1,665	$4,372	$1,337
Less:							
Ski Lift Direct Expense	$ 315	$ 269	$ 167	$1,045	430	$ 827	$ 379
Payroll Taxes	88	43	40	59	41	206	38
Property Operation	198	48	35	58	111	263	52
OPERATIONS MARGIN	$1,002	$1,105	$ 529	$2,554	$1,083	$3,076	$ 868
Less:							
General & Administrative	$ 268	$ 199	$ 129	$ 391	$ 166	$ 535	$ 212
Marketing (advertising, public relations, promotion, etc.)	167	80	48	198	66	133	53
Insurance (property, liability)	92	79	67	108	70	176	50
Land Use Fees (public)	24	12	-	101	22	113	28
Land Use Fees (private)	6	6	16	29	44	22	1
Property Taxes	35	22	17	38	23	77	18
Other Taxes (not income)	22	20	9	34	3	15	5
Snowmaking	119	134	55	33	7	64	1
Snow Removal	4	11	1	6	17	10	9
Miscellaneous	15	21	23	29	6	57	15
Depreciation & Amortization	284	192	117	427	185	452	162
OPERATING PROFIT (LOSS)	$ (34)	$ 329	$ 47	$1,160	$ 474	$1,422	$ 314
Less: Interest	207	110	85	230	114	264	77
PROFIT (LOSS) BEFORE TAX	$ (241)	$ 219	$ (38)	$ 930	$ 360	$1,158	$ 237
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 54

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY GEOGRAPHIC LOCATION

	Percent of Gross Fixed Assets						
	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:							
Ski Lift Gross - Winter	19.6%	29.5%	28.1%	50.6%	46.7%	60.7%	37.5%
Ski Lift Gross - Summer	0.4	-	-	0.2	0.1	0.7	0.6
Supporting Margin - Winter	5.5	11.1	10.8	6.4	5.5	11.3	7.4
Supporting Margin - Summer	1.4	2.5	0.9	(0.1)	0.3	0.0	0.9
Year Round Margin	2.6	2.7	0.8	4.4	5.1	0.8	0.5
TOTAL REVENUE	29.6%	45.8%	40.6%	61.5%	57.7%	73.5%	46.8%
Less:							
Ski Lift Direct Expense	5.8%	8.4%	8.8%	17.3%	14.9%	13.9%	13.3%
Payroll Taxes	1.6	1.3	2.1	1.0	1.4	3.5	1.3
Property Operation	3.7	1.5	1.8	1.0	3.8	4.4	1.8
OPERATIONS MARGIN	18.5%	34.6%	27.9%	42.3%	37.6%	51.7%	30.4%
Less:							
General & Administrative	4.9%	6.2%	6.8%	6.5%	5.8%	9.0%	7.4%
Marketing (advertising, public relations, promotion, etc.)	3.1	2.5	2.5	3.3	2.3	2.2	1.9
Insurance (property, liability)	1.7	2.5	3.5	1.8	2.4	3.0	1.8
Land Use Fees (public)	0.4	0.4	-	1.7	0.8	1.9	1.0
Land Use Fees (private)	0.1	0.2	0.8	0.5	1.5	0.4	-
Property Taxes	0.6	0.7	0.9	0.6	0.8	1.3	0.6
Other Taxes (not income)	0.4	0.6	0.5	0.6	0.1	0.3	0.2
Snowmaking	2.2	4.2	2.9	0.5	0.2	1.1	-
Snow Removal	0.1	0.3	0.1	0.1	0.6	0.2	0.3
Miscellaneous	0.3	0.7	1.2	0.5	0.2	1.0	0.5
Depreciation & Amortization	5.2	6.0	6.2	7.1	6.4	7.6	5.7
OPERATING PROFIT (LOSS)	(0.6)%	10.3%	2.5%	19.2%	16.4%	23.9%	11.1%
Less: Interest	3.8	3.4	4.5	3.8	4.0	4.4	2.7
PROFIT (LOSS) BEFORE TAX	(4.4)%	6.9%	(2.0)%	15.4%	12.4%	19.5%	8.4%
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 55

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY GEOGRAPHIC LOCATION

	Percent of Revenue						
	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
Revenue:							
Ski Lift Gross - Winter	66.4%	64.4%	69.1%	82.3%	80.8%	82.7%	80.0%
Ski Lift Gross - Summer	1.4	0.1	-	0.3	0.1	0.9	1.2
Supporting Margin - Winter	18.6	24.4	26.6	10.4	9.6	15.3	15.7
Supporting Margin - Summer	4.7	5.4	2.2	(0.2)	0.5	0.0	1.9
Year Round Margin	8.9	5.8	2.1	7.1	8.9	1.1	1.1
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less:							
Ski Lift Direct Expense	19.7%	18.4%	21.7%	28.1%	25.8%	18.9%	28.3%
Payroll Taxes	5.5	2.9	5.2	1.6	2.5	4.7	2.8
Property Operation	12.4	3.3	4.5	1.6	6.7	6.0	3.9
OPERATIONS MARGIN	62.5%	75.4%	68.6%	68.7%	65.0%	70.4%	64.9%
Less:							
General & Administrative	16.7%	13.6%	16.7%	10.5%	10.0%	12.2%	15.9%
Marketing (advertising, public relations, promotion, etc.)	10.4	5.5	6.2	5.3	4.0	3.0	4.0
Insurance (property, liability)	5.7	5.4	8.7	2.9	4.2	4.0	3.7
Land Use Fees (public)	1.5	0.8	-	2.7	1.3	2.6	2.1
Land Use Fees (private)	0.4	0.4	2.1	0.8	2.6	0.5	0.1
Property Taxes	2.2	1.5	2.2	1.0	1.4	1.8	1.3
Other Taxes (not income)	1.4	1.4	1.2	0.9	0.2	0.3	0.4
Snowmaking	7.4	9.1	7.1	0.9	0.4	1.5	0.1
Snow Removal	0.2	0.8	0.1	0.2	1.0	0.2	0.7
Miscellaneous	0.9	1.4	3.0	0.8	0.4	1.3	1.1
Depreciation & Amortization	17.7	13.1	15.2	11.5	11.1	10.3	12.1
OPERATING PROFIT (LOSS)	(2.0)%	22.4%	6.1%	31.2%	28.5%	32.7%	23.5%
Less: Interest	12.9	7.5	11.0	6.2	6.8	6.0	5.8
PROFIT (LOSS) BEFORE TAX	(14.9)%	14.9%	(4.9)%	25.0%	21.7%	26.7%	17.7%
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 56

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
SKI LIFT GROSS:							
Revenue (Winter)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LESS:							
Ski Lift Payroll	6.8	5.6	9.2	7.0	8.2	5.2	8.4
Ski Patrol Payroll	2.5	1.2	1.4	4.1	4.2	2.3	2.7
Slope Maintenance Payroll	1.6	1.3	1.9	2.5	1.8	2.2	1.9
Maintenance & Repair Payroll	4.2	3.5	4.6	4.2	4.3	2.5	3.7
Ticket Sales Payroll	0.9	1.4	2.5	1.5	1.2	0.7	1.5
Other Payroll	0.5	2.7	1.0	2.3	1.2	1.2	1.8
TOTAL PAYROLL	16.5%	15.7%	20.6%	21.6%	20.9%	14.1%	20.1%
OTHER DIRECT	10.9%	12.8%	10.7%	12.2%	10.7%	8.5%	14.5%
GROSS MARGIN	72.6%	71.5%	68.7%	66.2%	68.4%	77.5%	65.4%
Base	(24)	(18)	(19)	(25)	(11)	(14)	(20)

TABLE 57

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS BY GEOGRAPHIC LOCATION

	New England (000)	East & Ontario (000)	Midwest (000)	Central Rockies (000)	Northern Rockies (000)	California & Nevada (000)	Pacific Northwest (000)
Assets							
Current Assets	$ 667	$ 461	$ 186	$1,091	$ 811	$1,712	$ 467
Gross Fixed Assets	5,716	3,202	1,875	6,278	2,884	6,036	2,855
Less: Depreciation	(2,283)	(1,353)	(769)	(1,910)	(1,095)	(2,481)	(1,264)
Other Assets	623	734	176	2,844	504	827	408
TOTAL ASSETS	$4,723	$3,044	$1,468	$8,303	$3,104	$6,094	$2,466
Liabilities & Net Worth							
Current Liabilities	$ 845	$ 496	$ 326	$1,006	$ 296	$ 542	$ 398
Long-Term Debt	1,553	716	403	2,163	1,339	1,090	586
Subordinated Debt	757	175	85	693	23	254	584
Deferred Taxes	91	46	8	217	23	295	23
Other Liabilities	11	93	13	93	78	42	122
Net Worth							
Invested	1,304	868	432	2,644	962	1,419	428
Retained Earnings	162	650	201	1,487	383	2,452	325
TOTAL LIABILITIES & NET WORTH	$4,723	$3,044	$1,468	$8,303	$3,104	$6,094	$2,466
Base	(22)	(18)	(18)	(24)	(11)	(13)	(20)

TABLE 58

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN NEW ENGLAND SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$10.256	100.0%	- %	16.5%	10.9%	72.6%	(24)
Ski School	1.132	100.0	-	58.2	12.6	29.2	(18)
Food Service	2.539	100.0	35.8	25.8	10.0	28.4	(20)
Bar	.841	100.0	27.1	17.7	8.5	46.6	(17)
Retail	1.973	100.0	61.4	12.8	6.7	19.1	(14)
Rental	.815	100.0	11.1[a]	15.5	4.3	69.0	(18)
Accommodations	-	100.0	-	26.6	33.6	39.9	(7)
Other	.483	100.0	8.1	36.5	17.9	37.5	(16)
	$18.039						
YEAR ROUND:							
Real Estate		100.0	44.8	8.3	7.2	39.7	(8)
Utility		100.0	-	21.5	75.5	3.0	(5)
Miscellaneous		100.0	28.3	9.8	13.8	48.1	(16)
SUMMER SEASON:							
Lift Department		100.0	-	68.1	35.1	(3.1)	(11)
Food Service		100.0	43.0	37.8	12.3	7.0	(13)
Retail		100.0	47.8	42.4	14.7	(4.9)	(12)
Sports		100.0	-	50.4	38.1	11.5	(10)
Accommodations		100.0	-	35.6	33.1	31.3	(7)
Slide		100.0	-	20.5	20.5	59.0	(5)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
EAST & ONTARIO SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 7.570	100.0%	- %	15.7%	12.8%	71.5%	(18)
Ski School	1.278	100.0	-	35.6	4.7	59.7	(14)
Food Service	1.495	100.0	40.0	28.6	11.1	20.3	(12)
Bar	.830	100.0	27.6	22.6	9.3	40.5	(8)
Retail	1.240	100.0	63.7	12.1	2.3	22.0	(9)
Rental	1.513	100.0	16.0[a]	17.1	9.3	57.6	(14)
Accommodations	-	100.0	-	24.8	48.6	26.6	(5)
Other	.329	100.0	35.0	16.4	9.3	39.3	(14)
	$14.255						
YEAR ROUND:							
Real Estate		100.0	48.0	5.5	6.8	39.7	(4)
Utility		100.0	-	75.0	215.0	(190.0)	(1)
Miscellaneous		100.0	44.0	9.4	4.7	41.9	(8)
SUMMER SEASON:							
Lift Department		100.0	-	15.0	-	85.0	(1)
Food Service		100.0	46.7	39.9	28.0	(14.6)	(5)
Retail		100.0	50.0	19.1	2.1	28.7	(1)
Sports		100.0	-	40.9	43.5	15.6	(6)
Accommodations		100.0	-	36.9	14.8	48.3	(3)
Slide		100.0	-	13.4	13.4	73.2	(3)

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[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA--DEPARTMENTAL MARGIN MIDWEST SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 7.304	100.0%	- %	20.6%	10.7%	68.7%	(19)
Ski School	.597	100.0	-	41.5	14.4	44.1	(15)
Food Service	2.253	100.0	39.2	30.5	9.6	20.8	(18)
Bar	1.153	100.0	28.3	25.7	11.0	35.0	(16)
Retail	1.208	100.0	73.6	13.0	3.6	9.9	(13)
Rental	1.745	100.0	14.0[a]	15.8	5.0	65.2	(18)
Accommodations	-	100.0	-	32.3	14.7	52.9	(7)
Other	.334	100.0	2.0	44.9	7.6	45.6	(16)
	$14.594						
YEAR ROUND:							
Real Estate		100.0	12.5	3.9	6.1	77.5	(3)
Utility		100.0	-	200.0	-	(100.0)	(1)
Miscellaneous		100.0	-	2.6	2.6	94.8	(9)
SUMMER SEASON:							
Lift Department		100.0	-	-	-	-	(-)
Food Service		100.0	41.0	40.0	11.8	7.2	(5)
Retail		100.0	76.9	19.2	-	3.8	(3)
Sports		100.0	-	33.4	16.4	50.2	(8)
Accommodations		100.0	-	16.9	18.5	64.6	(4)
Slide		100.0	-	56.0	30.0	14.0	(1)

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[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN CENTRAL ROCKIES SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$10.377	100.0%	- %	21.6%	12.2%	66.2%	(25)
Ski School	1.587	100.0	-	66.9	7.1	26.0	(21)
Food Service	1.980	100.0	36.6	27.8	9.9	25.7	(16)
Bar	.623	100.0	33.2	18.6	4.6	43.6	(9)
Retail	.898	100.0	54.2	11.0	4.4	30.4	(12)
Rental	.857	100.0	15.2[a]	25.3	5.9	53.7	(15)
Accommodations	-	100.0	-	46.7	20.1	33.2	(1)
Other	.234	100.0	11.1	43.4	16.8	28.7	(15)
	$16.556						
YEAR ROUND:							
Real Estate		100.0	37.4	12.4	13.0	37.2	(5)
Utility		100.0	-	-	50.0	50.0	(3)
Miscellaneous		100.0	-	3.3	11.2	85.6	(14)
SUMMER SEASON:							
Lift Department		100.0	-	24.2	49.1	26.5	(5)
Food Service		100.0	38.8	76.1	62.7	(77.6)	(4)
Retail		100.0	57.9	22.7	19.7	(0.4)	(3)
Sports		100.0	-	-	-		(-)
Accommodations		100.0	-	122.0	108.8	(130.8)	(1)
Slide		100.0	23.9	45.3	7.4	23.4	(2)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN NORTHERN ROCKIES SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 7.755	100.0%	- %	20.9%	10.7%	68.4%	(11)
Ski School	.737	100.0	-	67.3	10.0	22.7	(8)
Food Service	1.885	100.0	40.3	26.5	8.4	24.8	(7)
Bar	.980	100.0	29.1	15.6	14.3	41.0	(4)
Retail	1.132	100.0	57.1	7.6	1.1	34.2	(3)
Rental	.763	100.0	11.3[a]	22.6	7.3	58.9	(3)
Accommodations	-	100.0	-	30.2	48.2	21.6	(2)
Other	.107	100.0	-	8.9	2.2	88.9	(6)
	$13.359						
YEAR ROUND:							
Real Estate		100.0	-	-	-	-	(-)
Utility		100.0	-	180.0	200.0	(280.0)	(1)
Miscellaneous		100.0	-	-	-	100.0	(4)
SUMMER SEASON:							
Lift Department		100.0	-	100.0	118.5	(118.5)	(1)
Food Service		100.0	46.8	40.4	-	12.8	(1)
Retail		100.0	-	-	-	-	(-)
Sports		100.0	-	-	-	-	(-)
Accommodations		100.0	-	40.0	20.0	40.0	(1)
Slide		100.0	-	-	-	-	(-)

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[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN CALIFORNIA/NEVADA SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$10.664	100.0%	- %	14.1%	8.5%	77.5%	(14)
Ski School	.966	100.0	-	49.8	6.9	43.4	(10)
Food Service	2.145	100.0	42.5	26.4	10.4	20.6	(8)
Bar	.749	100.0	31.4	16.4	4.0	48.2	(4)
Retail	1.507	100.0	56.5	8.9	3.5	31.0	(7)
Rental	.839	100.0	13.6[a]	24.0	4.7	57.6	(11)
Accommodations	-	100.0	-	29.6	18.4	52.0	(4)
Other	.388	100.0	7.0	11.1	0.8	81.0	(11)
	$17.258						
YEAR ROUND:							
Real Estate		100.0	12.5	6.8	3.1	77.5	(2)
Utility		100.0	-	55.2	232.1	(187.3)	(2)
Miscellaneous		100.0	2.2	0.2	-	97.5	(7)
SUMMER SEASON:							
Lift Department		100.0	-	20.0	9.6	70.3	(2)
Food Service		100.0	46.8	70.1	19.5	(36.4)	(2)
Retail		100.0	63.3	65.3	4.1	(32.7)	(1)
Sports		100.0	-	-	-	-	(-)
Accommodations		100.0	-	39.9	25.5	34.6	(1)
Slide		100.0	-	-	-	-	(-)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN PACIFIC NORTHWEST SKI AREAS, 1979-80

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$ 6.706	100.0%	- %	20.1%	14.5%	65.4%	(20)
Ski School	.520	100.0	-	72.8	15.9	11.4	(15)
Food Service	1.607	100.0	39.1	26.7	11.6	22.6	(18)
Bar	.835	100.0	29.4	22.4	12.5	35.6	(16)
Retail	.869	100.0	56.5	17.1	8.8	17.7	(11)
Rental	.779	100.0	8.0[a]	22.0	7.8	62.3	(11)
Accommodations	-	100.0	-	38.0	27.9	34.1	(4)
Other	.338	100.0	-	25.0	38.1	36.9	(17)
	$11.654						
YEAR ROUND:							
Real Estate		100.0	-	-	-	-	(-)
Utility		100.0	-	24.1	20.5	55.4	(3)
Miscellaneous		100.0	-	15.2	2.3	82.6	(6)
SUMMER SEASON:							
Lift Department		100.0	-	36.3	20.1	43.6	(2)
Food Service		100.0	32.3	26.9	12.8	27.9	(1)
Retail		100.0	42.6	16.9	2.0	38.6	(1)
Sports		100.0	-	104.8	47.6	(52.4)	(2)
Accommodations		100.0	-	28.0	8.0	64.0	(1)
Slide		100.0	-	-	-	-	(-)

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[a] Represents retirement and replacement of rental equipment.

VIII

CHARACTERISTICS BY SIZE; DAY, WEEKEND, VACATION AND WEEKEND ONLY SKI AREAS; AND LENGTH OF SKI SEASON

Several additional computer runs provide the same data by other distinct categories. This chapter presents this data with a brief discussion of relevant findings. Because of the large number of tables, they follow the text.

Characteristics by Size

Tables 59 through 65 contain all the various statistics by ski area size. Categories divide ski areas by total VTF/hour into five increments. The category "under 1,000" contains the smallest areas while "over 5,500" has the giants. In general, profitability increases as ski areas get larger.

Characteristics by Day, Weekend, Vacation and Weekend Only Areas

Tables 66 through 72 contain the statistics by ski area type. This category refers to areas designed to serve functional markets. Areas may be defined as day use oriented where skiers commute from home for the day; weekend use oriented where skiers typically spend one or two overnights at the areas, typically on weekend outings; and vacation use oriented where average stays are seven days. Profitability is best at vacation oriented ski areas where utilization is also generally higher.

Characteristics by Length of Ski Season

Ski areas are characteristically high fixed cost operations with heavy investment in fixed assets and a relatively short operating season. Thus the length of the ski season is a critical variable to profitability. Again, the key measure, operating profit on GFA, increased almost directly with the length of the season.

TABLE 59

AVERAGE SKI AREA CHARACTERISITICS–BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	5,500+
SIZE					
VTF/Hour (000)	794	1,603	3,358	4,590	10,320
Gross Fixed Assets (000)	$ 763	$1,391	$2,640	$3,430	$ 9,040
Skiable Acres	56	73	300	436	896
LOCATION					
Within 50 Miles of SMSA	33%	41%	48%	22%	19%
With 6+ Areas in 1 Hour	0%	21%	39%	30%	38%
New England	0%	15%	23%	17%	22%
East	33%	21%	13%	17%	3%
Midwest	33%	27%	19%	9%	0%
Central Rockies	17%	18%	13%	17%	27%
Northern Rockies	0%	3%	10%	9%	14%
California & Nevada	0%	9%	7%	9%	19%
Pacific Northwest	17%	9%	16%	22%	16%
SITE CHARACTERISTICS					
Number of Beds at Base	23	88	70	169	2,166
Number of Beds (10 Miles)	43	2,389	1,856	1,859	5,990
With Snowmaking	67%	59%	68%	61%	51%
With Night Skiing	50%	50%	55%	35%	22%
Terrain: Beginner	27%	29%	24%	24%	22%
Intermediate	48%	51%	49%	52%	49%
Expert	25%	20%	27%	25%	29%
BUSINESS CHARACTERISTICS					
Operating With USFS Permit	33%	27%	42%	61%	76%
Engaged in Land Development	0%	21%	26%	44%	51%
OPERATIONAL CHARACTERISTICS					
Average Days/Nights of Operation	87	101	114	118	126
Average Peak Day Crowd	971	1,789	2,835	3,725	6,325
Average Skier Visits (000)	25	57	92	161	396
Average Age of Ski Areas	20 years	20 years	23 years	22 years	24 years
ECONOMIC CHARACTERISTICS					
Average Revenue/Skier Visit	$ 8.93	$ 9.67	$ 9.06	$10.50	$ 11.60
Average Lift Ticket Revenue/S-V	$ 6.72	$ 7.36	$ 7.11	$ 8.40	$ 10.17
Average Adult Lift Ticket Price (Weekend)	$ 9.88	$10.69	$11.93	$12.55	$ 13.45
Average Adult Lift Ticket Price (Weekday)	$ 8.15	$ 8.92	$ 9.62	$11.13	$ 12.86
Average Night Ticket Price	$ 6.17	$ 6.35	$ 7.09	$ 7.47	$ 7.66
Average Adult Season Ticket Price	$ 150	$ 171	$ 215	$ 255	$ 317
Average Utilization	42%	48%	35%	46%	52%
Average Profit (Loss) Before Tax	$ 3	$ 10	$ (34)	$ 300	$ 1,064
Ratio: Revenue/GFA	32%	44%	36%	53%	55%
Base	(6)	(34)	(31)	(23)	(37)

TABLE 60

ECONOMIC RATIOS–BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	5,500+
VTF/Hour (000)	794	1,603	3,358	4,590	10,320
VTF/Hour - Demand/Skier Visit	1,334	1,401	1,468	1,542	1,694
Skier Capacity	595	1,144	2,288	2,976	6,091
Days/Nights of Operation	87	101	114	118	126
Season Capacity (000)	59	118	266	351	758
Actual Skier Visits (000)	25	57	92	161	396
Profit (Loss) Before Tax (000)	$ 3	$ 10	$ (34)	$ 300	$1,064
Plus: Depreciation (000)	$ 38	$ 93	$ 155	$ 216	$ 585
Before Tax Cash Flow (000)	$ 41	$ 103	$ 121	$ 516	$1,649
Operating Profit (Loss) (000)	$ 30	$ 69	$ 68	$ 425	$1,405
Cash Operating Costs (000)	$ 173	$ 452	$ 726	$1,171	$3,015
Gross Fixed Assets (000)	$ 763	$1,391	$2,640	$3,430	$9,040
Secured Debt (000)	$ 347	$ 334	$ 906	$1,277	$3,581
Equity (000)	$ 94	$ 445	$ 618	$1,766	$4,818
Critical Ratios					
Health (Debt to Cash Flow)	8.5X	3.2X	7.5X	2.5X	2.2X
Profitability:					
Operating Profit on GFA	3.9%	5.0%	2.6%	12.4%	15.5%
Profit (BT) on Equity	3.2%	2.2%	Loss	17.0%	22.1%
Performance:					
Average Utilization	42.4%	48.3%	34.6%	45.9%	52.2%
Days/Nights of Operation	87	101	114	118	126
Policy & Planning:					
Capital/Capacity Ratio	$1,282	$1,216	$1,154	$1,153	$1,484
Operating/Capacity Ratio	$ 2.93	$ 3.83	$ 2.73	$ 3.34	$ 3.98
Revenue/Skier Visit:					
Ski Lift Gross	$ 6.72	$ 7.36	$ 7.11	$ 8.40	$10.17
Ski School Margin	$ .37	$ .37	$ .36	$ .41	$ .29
Food Service Margin	$ .35	$ .38	$ .38	$ .41	$ .42
Bar Margin	$ .19	$ .17	$ .30	$ .27	$ .12
Ski Shop Margin	$ .10	$ .15	$ .15	$ .18	$ .20
Ski Rental Margin	$ 1.01	$ 1.05	$ .66	$ .55	$ .26
Other Margin	$ .19	$ .19	$ .10	$ .28	$ .14
Total - Revenue/Skier Visit	$ 8.93	$ 9.67	$ 9.06	$10.50	$11.60
Base	(6)	(34)	(31)	(23)	(37)

TABLE 61

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY SIZE (000 VTF/HOUR)

	Under 1,000 (000)	1,000 - 2,499 (000)	2,500 - 3,999 (000)	4,000 - 5,499 (000)	Over 5,500 (000)
Gross Fixed Assets	$ 763	$1,391	$2,640	$3,430	$9,040
Revenue:					
Ski Lift Gross - Winter	$ 169	$ 421	$ 657	$1,355	$4,028
Ski Lift Gross - Summer	-	1	11	8	32
Supporting Margin - Winter	58	160	188	344	622
Supporting Margin - Summer	9	22	56	1	39
Year Round Margin	5	10	37	104	284
TOTAL REVENUE	$ 241	$ 614	$ 949	$1,812	$5,005
Less:					
Ski Lift Direct Expense	$ 58	$ 149	$ 270	$ 402	$1,151
Payroll Taxes	4	18	42	69	153
Property Operation	8	33	49	71	252
OPERATIONS MARGIN	$ 171	$ 414	$ 588	$1,270	$3,449
Less:					
General & Administrative	$ 35	$ 97	$ 148	$ 261	$ 587
Marketing (advertising, public relations, promotion, etc.)	11	31	44	88	282
Insurance (property, liability)	16	39	62	93	172
Land Use Fees (public)	2	12	10	31	115
Land Use Fees (private)	1	2	15	8	37
Property Taxes	4	12	17	27	70
Other Taxes (not income)	-	7	6	22	36
Snowmaking	28	38	59	63	91
Snow Removal	4	1	1	12	17
Miscellaneous	2	13	3	24	53
Depreciation & Amortization	38	93	155	216	585
OPERATING PROFIT (LOSS)	$ 30	$ 69	$ 68	$ 425	$1,405
Less: Interest	27	59	102	125	341
PROFIT (LOSS) BEFORE TAX	$ 3	$ 10	$ (34)	$ 300	$1,064
Base	(6)	(34)	(31)	(23)	(37)

TABLE 62

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY SIZE (000 VTF/HOUR)

	Percent of Gross Fixed Assets				
	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	Over 5,500
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:					
Ski Lift Gross - Winter	22.1%	30.3%	24.9%	39.5%	44.6%
Ski Lift Gross - Summer	-	0.1	0.4	0.2	0.4
Supporting Margin - Winter	7.6	11.5	7.1	10.0	6.9
Supporting Margin - Summer	1.2	1.6	2.1	0.0	0.4
Year Round Margin	0.7	0.7	1.4	3.0	3.1
TOTAL REVENUE	31.6%	44.1%	35.9%	52.8%	55.4%
Less:					
Ski Lift Direct Expense	7.6%	10.7%	10.2%	11.7%	12.7%
Payroll Taxes	0.5	1.3	1.6	2.0	1.7
Property Operation	1.0	2.4	1.9	2.1	2.8
OPERATIONS MARGIN	22.4%	29.8%	22.3%	37.0%	38.2%
Less:					
General & Administrative	4.6%	7.0%	5.6%	7.6%	6.5%
Marketing (advertising, public relations, promotion, etc.)	1.4	2.2	1.7	2.6	3.1
Insurance (property, liability)	2.1	2.8	2.3	2.7	1.9
Land Use Fees (public)	0.3	0.9	0.4	0.9	1.3
Land Use Fees (private)	0.1	0.1	0.6	0.2	0.4
Property Taxes	0.5	0.9	0.6	0.8	0.8
Other Taxes (not income)	-	0.5	0.2	0.6	0.4
Snowmaking	3.7	2.7	2.2	1.8	1.0
Snow Removal	0.5	0.1	0.0	0.3	0.2
Miscellaneous	0.3	0.9	0.1	0.7	0.6
Depreciation & Amortization	5.0	6.7	5.9	6.3	6.5
OPERATING PROFIT (LOSS)	3.9%	5.0%	2.6%	12.4%	15.5%
Less: Interest	3.5	4.2	3.9	3.6	3.8
PROFIT (LOSS) BEFORE TAX	0.4%	.8%	(1.3)%	8.7%	11.7%
Base	(6)	(34)	(31)	(23)	(37)

TABLE 63

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY SIZE (000 VTF/HOUR)

	Percent of Revenue				
	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	Over 5,500
Revenue:					
Ski Lift Gross - Winter	70.1%	68.6%	69.2%	74.8%	80.5%
Ski Lift Gross - Summer	-	0.2	1.2	0.4	0.6
Supporting Margin - Winter	24.1	26.1	19.8	19.0	12.4
Supporting Margin - Summer	3.7	3.6	5.9	0.1	0.8
Year Round Margin	2.1	1.6	3.9	5.7	5.7
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%
Less:					
Ski Lift Direct Expense	24.1%	24.3%	28.5%	22.2%	23.0%
Payroll Taxes	1.7	2.9	4.4	3.8	3.1
Property Operation	3.3	5.4	5.2	3.9	5.0
OPERATIONS MARGIN	71.0%	67.4%	62.0%	70.1%	68.9%
Less:					
General & Administrative	14.5%	15.8%	15.6%	14.4%	11.7%
Marketing (advertising, public relations, promotion, etc.)	4.6	5.0	4.6	4.9	5.6
Insurance (property, liability)	6.6	6.4	6.5	5.1	3.4
Land Use Fees (public)	0.8	2.0	1.1	1.7	2.3
Land Use Fees (private)	0.4	0.3	1.6	0.4	0.7
Property Taxes	1.7	2.0	1.8	1.5	1.4
Other Taxes (not income)	-	1.1	0.6	1.2	0.7
Snowmaking	11.6	6.2	6.2	3.5	1.8
Snow Removal	1.7	0.2	0.1	0.7	0.3
Miscellaneous	0.8	2.1	0.3	1.3	1.1
Depreciation & Amortization	15.8	15.1	16.3	11.9	11.7
OPERATING PROFIT (LOSS)	12.4%	11.2%	7.2%	23.5%	28.1%
Less: Interest	11.2	9.6	10.7	6.9	6.8
PROFIT (LOSS) BEFORE TAX	1.2%	1.6%	(3.5)%	16.6%	21.3%
Base	(6)	(34)	(31)	(23)	(37)

TABLE 64

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000-2,499	2,500-3,999	4,000-5,499	Over 5,500
SKI LIFT GROSS:					
Revenue (Winter)		100.0%	100.0%	100.0%	100.0%
LESS:					
Ski Lift Payroll		8.1%	9.9%	5.9%	6.4%
Ski Patrol Payroll		1.8	3.3	2.9	3.2
Slope Maintenance Payroll		2.9	2.6	1.7	2.1
Maintenance & Repair Payroll		3.8	5.8	4.2	3.4
Ticket Sales Payroll		2.1	1.9	1.4	1.1
Other Payroll		1.6	1.0	0.8	1.8
TOTAL PAYROLL		20.2%	24.6%	16.9%	18.0%
OTHER DIRECT		14.6%	16.9%	11.5%	9.9%
GROSS MARGIN		65.2	58.6	71.6	72.1
Base	(0)	(25)	(23)	(13)	(34)

TABLE 65

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS BY SIZE (000 VTF/HOUR)

	Under 1,000 (000)	1,000 - 2,499 (000)	2,500 - 3,999 (000)	4,000 - 5,499 (000)	Over 5,500 (000)
Assets					
Current Assets	$ 43	$ 154	$ 272	$ 714	$1,723
Gross Fixed Assets	763	1,453	2,524	3,430	9,040
Less: Depreciation	(394)	(602)	(1,127)	(1,342)	(3,238)
Other Assets	6	161	192	839	2,513
TOTAL ASSETS	$ 418	$1,166	$1,861	$3,641	$10,038
Liabilities & Net Worth					
Current Liabilities	$ 74	$ 286	$ 324	$ 457	$1,261
Long-Term Debt	270	271	551	903	2,712
Subordinated Debt	77	63	355	374	869
Deferred Taxes	-	31	8	35	290
Other Liabilities	23	70	5	106	88
Net Worth					
Invested	94	300	577	1,086	2,752
Retained Earnings	(120)	145	41	680	2,066
TOTAL LIABILITIES & NET WORTH	$ 418	$1,166	$1,861	$3,641	$10,038
Base	(6)	(32)	(28)	(23)	(37)

TABLE 66

AVERAGE SKI AREA CHARACTERISTICS–BY TYPE OF SKI AREA

	Day	Weekend	Vacation	Weekend Only
SIZE				
VTF/Hour (000)	3,233	5,156	7,900	1,027
Gross Fixed Assets (000)	$2,209	$4,660	$7,276	$ 174
Skiable Acres	302	517	593	101
LOCATION				
Within 50 Miles of SMSA	50%	15%	18%	33%
With 6+ Areas in 1 Hour	23%	44%	31%	67%
New England	11%	30%	21%	33%
East	15%	15%	10%	33%
Midwest	18%	15%	10%	0%
Central Rockies	16%	7%	31%	33%
Northern Rockies	8%	0%	15%	0%
California & Nevada	10%	22%	5%	0%
Pacific Northwest	23%	11%	8%	0%
SITE CHARACTERISTICS				
Number of Beds at Base	31	1,067	1,502	4
Number of Beds (10 Miles)	1,486	4,547	4,841	704
With Snowmaking	55%	63%	69%	0%
With Night Skiing	58%	33%	20%	0%
Terrain: Beginner	26%	26%	23%	26%
Intermediate	49%	51%	51%	47%
Expert	25%	23%	26%	27%
BUSINESS CHARACTERISTICS				
Operating With USFS Permit	48%	48%	56%	33%
Engaged in Land Development	18%	44%	54%	0%
OPERATIONAL CHARACTERISTICS				
Average Days/Nights of Operation	124	101	112	14
Average Peak Day Crowd	2,861	3,972	4,831	391
Average Skier Visits (000)	111	193	287	2
Average Age of Ski Areas	23 years	20 years	22 years	33 years
ECONOMIC CHARACTERISTICS				
Average Revenue/Skier Visit	$ 8.96	$11.81	$11.69	$ 9.77
Average Lift Ticket Revenue/S-V	$ 7.29	$10.04	$10.10	$ 9.45
Average Adult Lift Ticket Price (Weekend)	$11.09	$12.81	$13.33	$ 8.50
Average Adult Lift Ticket Price (Weekday)	$ 9.20	$11.06	$12.49	$ 0
Average Night Ticket Price	$ 6.92	$ 7.56	$ 6.38	$ 0
Average Adult Season Ticket Price	$ 202	$ 257	$ 291	$ 93
Average Utilization	39%	47%	56%	33%
Average Profit (Loss) Before Tax	$ 122	$ 422	$ 684	$ (13)
Ratio: Revenue/GFA	47%	52%	52%	12%
Base	(62)	(27)	(39)	(3)

TABLE 67

ECONOMIC RATIOS–BY TYPE OF SKI AREA

	Day	Weekend	Vacation	Weekend Only	Your Ski Area
VTF/Hour (000)	3,233	5,156	7,900	1,027	____
VTF/Hour - Demand/Skier Visit	1,503	1,495	1,723	1,575	____
Skier Capacity	2,151	3,448	4.586	652	____
Days/Nights of Operation	124	101	112	14	____
Season Capacity (000)	287	409	510	6	____
Actual Skier Visits (000)	111	193	287	2	____
Profit (Loss) Before Tax (000)	$ 122	$ 422	$ 684	$ (13)	$____
Plus: Depreciation (000)	$ 134	$ 314	$ 461	$ 5	$____
Before Tax Cash Flow (000)	$ 256	$ 736	$1,145	$ (8)	$____
Operating Profit (Loss) (000)	$ 198	$ 585	$ 983	$ (13)	$____
Cash Operating Costs (000)	$ 696	$1,565	$2,359	$ 29	$____
Gross Fixed Assets (000)	$2,209	$4,660	$7,276	$ 174	$____
Secured Debt (000)	$ 717	$1,362	$3,147	$ 97	$____
Equity (000)	$ 704	$2,286	$3,846	$ 14	$____
Critical Ratios					
Health (Debt to Cash Flow)	2.8X	1.9X	2.7X		____X
Profitability:					
Operating Profit on GFA	9.0%	12.6%	13.5%	Loss	____%
Profit (BT) on Equity	17.3%	18.5%	17.8%	Loss	____%
Performance:					
Average Utilization	38.7%	47.2%	56.3%	33.3%	____%
Days/Nights of Operation	124	101	112	14	____
Policy & Planning:					
Capital/Capacity Ratio	$1,027	$1,352	$1,587	$ 267	$____
Operating/Capacity Ratio	$ 2.43	$ 3.83	$ 4.63	$ 4.83	$____
Revenue/Skier Visit:					
Ski Lift Gross	$ 7.29	$10.04	$10.10	$ 9.45	$____
Ski School Margin	$ .24	$ .37	$ .36	-	$____
Food Service Margin	$ .32	$ .39	$ .47	$ -	$____
Bar Margin	$ .21	$ .17	$ .14	$ -	$____
Ski Shop Margin	$ .13	$ .29	$ .17	$ (.48)	$____
Ski Rental Margin	$ .65	$ .43	$ .29	$ .64	$____
Other Margin	$ .12	$ .12	$ .16	$ .16	$____
Total - Revenue/Skier Visit	$ 8.96	$11.81	$11.69	$ 9.77	$____
Base	(62)	(27)	(39)	(3)	

TABLE 68

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY TYPE OF SKI AREA

	Day (000)	Weekend (000)	Vacation (000)	Weekend Only (000)	Your Ski Area
Gross Fixed Assets	$2,209	$4,660	$7,276	$ 174	$______
Revenue:					
Ski Lift Gross - Winter	$ 813	$1,938	$2,900	$ 20	$______
Ski Lift Gross - Summer	1	9	38	-	______
Supporting Margin - Winter	190	367	534	1	______
Supporting Margin - Summer	6	68	47	-	______
Year Round Margin	18	82	284	-	______
TOTAL REVENUE	$1,028	$2,464	$3,803	$ 21	$______
Less:					
Ski Lift Direct Expense	$ 274	$ 525	$ 882	$ 15	$______
Payroll Taxes	32	122	101	-	______
Property Operation	34	126	209	-	______
OPERATIONS MARGIN	$ 688	$1,691	$2,611	$ 6	$______
Less:					
General & Administrative	$ 153	$ 328	$ 449	$ 3	$______
Marketing (advertising, public relations, promotion, etc.)	40	106	246	1	______
Insurance (property, liability)	56	117	133	5	______
Land Use Fees (public)	16	48	87	1	______
Land Use Fees (private)	9	5	36	-	______
Property Taxes	17	45	49	3	______
Other Taxes (not income)	6	14	38	1	______
Snowmaking	46	83	78	-	______
Snow Removal	3	8	14	-	______
Miscellaneous	10	38	37	-	______
Depreciation & Amortization	134	314	461	5	______
OPERATING PROFIT (LOSS)	$ 198	$ 585	$ 983	$ (13)	$______
Less: Interest	76	163	299	-	______
PROFIT (LOSS) BEFORE TAX	$ 122	$ 422	$ 684	$ (13)	$______
Base	(62)	(27)	(39)	(3)	

TABLE 69

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY TYPE OF SKI AREA

	Percent of Gross Fixed Assets				
	Day	Weekend	Vacation	Weekend Only	Your Ski Area
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:					
Ski Lift Gross - Winter	36.8%	41.6%	39.9%	11.5%	______%
Ski Lift Gross - Summer	0.0	0.2	0.5	-	______
Supporting Margin - Winter	8.6	7.9	7.3	0.6	______
Supporting Margin - Summer	0.3	1.5	0.6	-	______
Year Round Margin	0.8	1.8	3.9	-	______
TOTAL REVENUE	46.5%	52.9%	52.3%	12.1%	______%
Less:					
Ski Lift Direct Expense	12.4%	11.3%	12.1%	8.6%	______%
Payroll Taxes	1.4	2.6	1.4	-	______
Property Operation	1.5	2.7	2.9	-	______
OPERATIONS MARGIN	31.1%	36.3%	35.9%	3.4%	______%
Less:					
General & Administrative	6.9%	7.0%	6.2%	1.7%	______%
Marketing (advertising, public relations, promotion, etc.)	1.8	2.3	3.4	0.6	______
Insurance (property, liability)	2.5	2.5	1.8	2.9	______
Land Use Fees (public)	0.7	1.0	1.2	0.6	______
Land Use Fees (private)	0.4	0.1	0.5	-	______
Property Taxes	0.8	1.0	0.7	1.7	______
Other Taxes (not income)	0.3	0.3	0.5	0.6	______
Snowmaking	2.1	1.8	1.1	-	______
Snow Removal	0.1	0.2	0.2	-	______
Miscellaneous	0.5	0.8	0.5	-	______
Depreciation & Amortization	6.1	6.7	6.3	2.9	______
OPERATING PROFIT (LOSS)	8.9%	12.6%	13.5%	(7.5)%	______%
Less: Interest	3.4	3.5	4.1	-	______
PROFIT (LOSS) BEFORE TAX	5.5%	9.1%	9.4%	(7.5)%	______%
Base	(62)	(27)	(39)	(3)	

TABLE 70

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY TYPE OF SKI AREA

	Percent of Revenue				
	Day	Weekend	Vacation	Weekend Only	Your Ski Area
Revenue:					
Ski Lift Gross - Winter	79.1%	78.7%	76.3%	95.2%	______%
Ski Lift Gross - Summer	0.1	0.4	1.0	-	______
Supporting Margin - Winter	18.5	14.9	14.0	4.8	______
Supporting Margin - Summer	0.6	2.8	1.2	-	______
Year Round Margin	1.8	3.3	7.5	-	______
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%
Less:					
Ski Lift Direct Expense	26.7%	21.3%	23.2%	71.4%	______%
Payroll Taxes	3.1	5.0	2.7	-	______
Property Operation	3.3	5.1	5.5	-	______
OPERATIONS MARGIN	66.9%	68.6%	68.7%	28.6%	______%
Less:					
General & Administrative	14.9%	13.3%	11.8%	14.3%	______%
Marketing (advertising, public relations, promotion, etc.)	3.9	4.3	6.5	4.8	______
Insurance (property, liability)	5.4	4.7	3.5	23.8	______
Land Use Fees (public)	1.6	1.9	2.3	4.8	______
Land Use Fees (private)	0.9	0.2	0.9	-	______
Property Taxes	1.7	1.8	1.3	14.3	______
Other Taxes (not income)	0.6	0.6	1.0	4.8	______
Snowmaking	4.5	3.4	2.1	-	______
Snow Removal	0.3	0.3	0.4	-	______
Miscellaneous	1.0	1.5	1.0	-	______
Depreciation & Amortization	13.0	12.7	12.1	23.8	______
OPERATING PROFIT (LOSS)	19.1%	23.7%	25.8%	(61.9)%	______%
Less: Interest	7.4	6.6	7.9	-	______
PROFIT (LOSS) BEFORE TAX	11.7%	17.1%	17.9%	(61.9)%	______%
Base	(62)	(27)	(39)	(3)	

TABLE 71

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN BY TYPE OF SKI AREA

	Day	Weekend	Vacation
SKI LIFT GROSS Revenue (Winter)	100.0%	100.0%	100.0%
LESS:			
Ski Lift Payroll	8.1	5.4	6.7
Ski Patrol Payroll	2.6	2.5	3.5
Slope Maintenance Payroll	2.1	2.1	2.1
Maintenance & Repair Payroll	4.2	3.5	3.6
Ticket Sales Payroll	1.7	0.9	1.3
Other Payroll	1.7	1.4	1.7
TOTAL PAYROLL	20.4%	15.8%	18.9%
OTHER DIRECT	13.2%	11.0%	10.6%
GROSS MARGIN	66.4%	73.2%	70.5%
Base	(62)	(27)	(39)

TABLE 72

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS BY TYPE OF SKI AREA

	Day (000)	Weekend (000)	Vacation (000)	Weekend Only (000)
Assets				
Current Assets	$ 325	$1,028	$1,215	$ 8
Gross Fixed Assets	2,224	4,685	7,276	174
Less: Depreciation	(1,017)	(1,864)	(2,463)	(109)
Other Assets	273	528	2,391	16
TOTAL ASSETS	$1,805	$4,377	$8,419	$ 89
Liabilities & Net Worth				
Current Liabilities	$ 276	$ 523	$1,185	$ 3
Long-Term Debt	435	1,122	2,366	61
Subordinated Debt	282	240	781	36
Deferred Taxes	25	190	163	-
Other Liabilities	83	16	78	-
Net Worth				
Invested	399	943	2,704	14
Retained Earnings	305	1,343	1,142	(25)
TOTAL LIABILITIES & NET WORTH	$1,805	$4,377	$8,419	$ 89
Base	(58)	(26)	(39)	(3)

TABLE 73

AVERAGE SKI AREA CHARACTERISTICS–BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
SIZE						
VTF/Hour (000)	3,429	5,367	6,141	4,705	5,882	5,409
Gross Fixed Assets (000)	$3,081	$5,370	$4,777	$3,577	$4,811	$4,705
Skiable Acres	125	227	414	439	759	760
LOCATION						
Within 50 Miles of SMSA	27%	20%	43%	20%	29%	67%
With 6+ Areas in 1 Hour	57%	33%	33%	17%	18%	17%
New England	57%	27%	10%	0%	0%	6%
East	23%	20%	5%	10%	12%	11%
Midwest	7%	7%	19%	23%	12%	17%
Central Rockies	3%	7%	33%	33%	29%	6%
Northern Rockies	7%	13%	5%	3%	24%	6%
California & Nevada	3%	7%	14%	13%	6%	22%
Pacific Northwest	0%	20%	14%	17%	18%	33%
SITE CHARACTERISTICS						
Number of Beds at Base	162	217	1,322	497	903	1,290
Number of Beds (10 Miles)	2,231	837	4,125	3,732	2,819	4,433
With Snowmaking	70%	53%	57%	63%	47%	56%
With Night Skiing	27%	33%	29%	37%	47%	83%
Terrain: Beginner	24%	26%	24%	25%	22%	29%
Intermediate	56%	49%	51%	45%	50%	47%
Expert	20%	24%	25%	30%	28%	24%
BUSINESS CHARACTERISTICS						
Operating With USFS Permit	30%	53%	57%	50%	59%	67%
Engaged in Land Development	37%	47%	29%	37%	33%	17%

TABLE 73 (Continued)

AVERAGE SKI AREA CHARACTERISTICS–BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
OPERATIONAL CHARACTERISTICS						
Average Days/Nights of Operation	46	92	110	129	149	188
Average Peak Day Crowd	1,945	4,327	3,906	3,148	4,871	5,095
Average Skier Visits (000)	55	151	208	180	257	293
Average Age of Ski Areas	24 years	23 years	21 years	22 years	21 years	22 years
ECONOMIC CHARACTERISTICS						
Average Revenue/Skier Visit	$11.59	$11,18	$11.83	$11.35	$10.06	$10.09
Average Lift Ticket Revenue/Skier Visit	$ 9.23	$ 9.16	$10.17	$ 9.83	$ 8.74	$ 8.38
Average Adult Lift Ticket Price (Weekend)	$12.32	$11.98	$12.31	$12.44	$11.62	$11.13
Average Adult Lift Ticket Price (Weekday)	$ 9.92	$10.52	$10.89	$11.38	$10.91	$ 9.78
Average Night Ticket Price	$ 6.06	$ 7.45	$ 6.92	$ 6.77	$ 6.94	$ 7.38
Average Adult Season Ticket Price	$ 235	$ 233	$ 249	$ 228	$ 245	$ 230
Average Utilization	47%	49%	52%	47%	51%	43%
Average Profit (Loss) Before Tax	$ (192)	$ 53	$ 531	$ 502	$ 747	$ 648
Ratio: Revenue/GFA	26%	36%	58%	61%	57%	65%
Base	(30)	(15)	(21)	(30)	(17)	(18)

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TABLE 74

ECONOMIC RATIOS–BY LENGTH OF SEASON

	Less Than 80 Days	80-90 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
VTF/Hour (000)	3,429	5,367	6,141	4,705	5,882	5,409
VTF/Hour - Demand/Skier Visit	1,496	1,536	1,720	1,593	1,751	1,488
Skier Capacity	2,292	3,494	3,570	2,953	3,359	3,634
Days/Nights of Operation	46	92	110	129	149	188
Season Capacity (000)	117	310	402	380	502	679
Actual Skier Visits (000)	55	151	208	180	257	293
Profit (Loss) Before Tax (000)	$ (192)	$ 53	$ 531	$ 502	$ 747	$ 648
Plus: Depreciation (000)	$ 149	$ 334	$ 322	$ 237	$ 300	$ 351
Before Tax Cash Flow (000)	$ (43)	$ 387	$ 853	$ 739	$1,047	$ 999
Operating Profit (Loss) (000)	$ (80)	$ 244	$ 755	$ 655	$ 889	$ 808
Cash Operating Costs (000)	$ 742	$1,345	$1,682	$1,305	$1,532	$1,917
Gross Fixed Assets (000)	$3,081	$5,370	$4,777	$3,577	$4,811	$4,705
Secured Debt (000)	$1,128	$2,019	$2,184	$1,427	$1,952	$1,173
Equity (000)	$ 932	$1,677	$2,263	$2,697	$2,524	$2,268
Critical Ratios						
Health (Debt to Cash Flow)		5.2X	2.6X	1.9X	1.9X	1.2X
Profitability:						
Operating Profit on GFA	Loss	4.5%	15.8%	18.3%	18.5%	17.2%
Profit (Before Tax) on Equity	Loss	3.2%	23.5%	18.6%	29.6%	28.6%
Performance:						
Average Utilization	47.0%	48.7%	51.7%	47.4%	51.2%	43.2%
Days/Nights of Operation	46	92	110	129	149	188
Policy & Planning:						
Capital/Capacity Ratio	$1,344	$1,537	$1,338	$1,211	$1,432	$1,295
Operating/Capacity Ratio	$ 6.34	$ 4.34	$ 4.18	$ 3.43	$ 3.05	$ 2.82
Revenue/Skier Visit:						
Ski Lift Gross	$ 9.23	$ 9.16	$10.17	$ 9.83	$ 8.74	$ 8.38
Ski School Margin	$ .55	$ .31	$ .38	$ .36	$ .24	$ .27
Food Service Margin	$ .56	$ .49	$ .50	$ .40	$ .31	$ .34
Bar Margin	$ .26	$ .30	$ .15	$ .13	$ .13	$ .17
Ski Shop Margin	$ .26	$ .24	$ .14	$ .13	$ .16	$ .26
Ski Rental Margin	$ .54	$ .60	$ .30	$ .43	$ .31	$ .52
Other Margin	$ .19	$ .08	$ .19	$ .07	$ .17	$ .15
Total - Revenue/Skier Visit	$11.59	$11.18	$11.83	$11.35	$10.06	$10.09
Base	(30)	(15)	(21)	(30)	(17)	(18)

TABLE 75

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY LENGTH OF SEASON

	Less Than 80 Days (000)	80-99 Days (000)	100-119 Days (000)	120-139 Days (000)	140-159 Days (000)	160 Days and Over (000)
Gross Fixed Assets	$3,081	$5,370	$4,777	$3,577	$4,811	$4,705
Revenue:						
Ski Lift Gross - Winter	$ 510	$1,384	$2,112	$1,772	$2,247	$2,453
Ski Lift Gross - Summer	14	9	38	1	3	20
Supporting Margin - Winter	153	364	370	315	354	513
Supporting Margin - Summer	60	57	6	3	3	59
Year Round Margin	74	109	233	106	114	31
TOTAL REVENUE	$ 811	$1,923	$2,759	$2,197	$2,721	$3,076
Less:						
Ski Lift Direct Expense	$ 182	$ 397	$ 705	$ 530	$ 702	$ 641
Payroll Taxes	45	75	40	67	54	166
Property Operation	79	139	122	61	107	166
OPERATIONS MARGIN	$ 505	$1,312	$1,892	$1,539	$1,858	$2,103
Less:						
General & Administrative	$ 161	$ 272	$ 326	$ 270	$ 260	$ 418
Marketing (advertising, public relations, promotion, etc.)	76	149	165	103	118	103
Insurance (property, liability)	58	90	113	86	91	126
Land Use Fees (public)	15	28	57	39	63	77
Land Use Fees (private)	3	11	1	29	35	20
Property Taxes	24	30	35	28	26	54
Other Taxes (not income)	8	29	43	14	11	5
Snowmaking	72	99	38	42	40	97
Snow Removal	3	3	13	9	14	3
Miscellaneous	16	23	24	27	11	41
Depreciation & Amortization	149	334	322	237	300	351
OPERATING PROFIT (LOSS)	$ (80)	$ 244	$ 755	$ 655	$ 889	$ 808
Less: Interest	112	191	224	153	142	160
PROFIT (LOSS) BEFORE TAX	$ (192)	$ 53	$ 531	$ 502	$ 747	$ 648
Base	(30)	(15)	(21)	(30)	(17)	(18)

TABLE 76

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY LENGTH OF SEASON

	Percent of Gross Fixed Assets					
	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:						
Ski Lift Gross - Winter	16.6%	25.8%	44.2%	49.5%	46.7%	52.1%
Ski Lift Gross - Summer	0.5	0.2	0.8	0.0	0.1	0.4
Supporting Margin - Winter	5.0	6.8	7.7	8.8	7.4	10.9
Supporting Margin - Summer	1.9	1.1	0.1	0.1	0.1	1.3
Year Round Margin	2.4	2.0	4.9	3.0	2.4	0.7
TOTAL REVENUE	26.3%	35.8%	57.8%	61.4%	56.6%	65.4%
Less:						
Ski Lift Direct Expense	5.9%	7.4%	14.8%	14.8%	14.6%	13.6
Payroll Taxes	1.5	1.4	0.8	1.9	1.1	3.5
Property Operation	2.6	2.6	2.6	1.7	2.2	3.5
OPERATIONS MARGIN	16.4%	24.4%	39.6%	43.0%	38.6%	44.7%
Less:						
General & Administrative	5.2%	5.1%	6.8%	7.5%	5.4%	8.9%
Marketing (advertising, public relations, promotion, etc.)	2.5	2.8	3.5	2.9	2.5	2.2
Insurance (property, liability)	1.9	1.7	2.4	2.4	1.9	2.7
Land Use Fees (public)	0.5	0.5	1.2	1.1	1.3	1.6
Land Use Fees (private)	0.1	0.2	0.0	0.8	0.7	0.4
Property Taxes	0.8	0.6	0.7	0.8	0.5	1.1
Other Taxes (not income)	0.3	0.5	0.9	0.4	0.2	0.1
Snowmaking	2.3	1.8	0.8	1.2	0.8	2.1
Snow Removal	0.1	0.1	0.3	0.3	0.3	0.1
Miscellaneous	0.5	0.4	0.5	0.8	0.2	0.9
Depreciation & Amortization	4.8	6.2	6.7	6.6	6.2	7.5
OPERATING PROFIT (LOSS)	(2.6)%	4.5%	15.8%	18.3%	18.5%	17.2%
Less: Interest	3.6	3.6	4.7	4.3	3.0	3.4
PROFIT (LOSS) BEFORE TAX	(6.2)%	.9%	11.1%	14.0%	15.5%	13.8%
Base	(30)	(15)	(21)	(30)	(17)	(18)

TABLE 77

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT BY LENGTH OF SEASON

	Percent of Revenue					
	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
Revenue:						
Ski Lift Gross - Winter	62.9%	72.0%	76.5%	80.7%	82.6%	79.7%
Ski Lift Gross - Summer	1.7	0.5	1.4	0.0	0.1	0.7
Supporting Margin - Winter	18.9	18.9	13.4	14.3	13.0	16.7
Supporting Margin - Summer	7.4	3.0	0.2	0.1	0.1	1.9
Year Round Margin	9.1	5.7	8.4	4.8	4.2	1.0
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Less:						
Ski Lift Direct Expense	22.4%	20.6%	25.6%	24.1%	25.8%	20.8%
Payroll Taxes	5.5	3.9	1.4	3.0	2.0	5.4
Property Operation	9.7	7.2	4.4	2.8	3.9	5.4
OPERATIONS MARGIN	62.3%	68.2%	68.6%	70.1%	68.3%	68.4%
Less:						
General & Administrative	19.9%	14.1%	11.8%	12.3%	9.6%	13.6%
Marketing (advertising, public relations, promotion, etc.)	9.4	7.7	6.0	4.7	4.3	3.3
Insurance (property, liability)	7.2	4.7	4.1	3.9	3.3	4.1
Land Use Fees (public)	1.8	1.5	2.1	1.8	2.3	2.5
Land Use Fees (private)	0.4	0.6	0.0	1.3	1.3	0.7
Property Taxes	3.0	1.6	1.3	1.3	1.0	1.8
Other Taxes (not income)	1.0	1.5	1.6	0.6	0.4	0.2
Snowmaking	8.9	5.1	1.4	1.9	1.5	3.2
Snow Removal	0.4	0.2	0.5	0.4	0.5	0.1
Miscellaneous	2.0	1.2	0.9	1.2	0.4	1.3
Depreciation & Amortization	18.4	17.4	11.7	10.8	11.0	11.4
OPERATING PROFIT (LOSS)	(9.9)%	12.7%	27.2%	20.9%	32.7%	26.3%
Less: Interest	13.8	9.9	8.1	7.0	5.2	5.2
PROFIT (LOSS) BEFORE TAX	(23.7)%	2.8%	19.1%	22.9%	27.5%	21.1%
Base	(30)	(15)	(21)	(30)	(17)	(18)

TABLE 78

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
SKI LIFT GROSS:						
Revenue (Winter)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LESS:						
Ski Lift Payroll	7.1%	6.3%	8.3%	6.1%	6.6%	5.7%
Ski Patrol Payroll	2.5	1.9	2.9	3.9	3.7	2.5
Slope Maintenance Payroll	1.8	1.7	2.8	1.8	1.9	2.3
Maintenance & Repair Payroll	4.7	3.5	4.0	3.7	4.1	2.8
Ticket Sales Payroll	1.0	0.9	1.2	1.5	1.5	1.0
Other Payroll	1.3	1.1	2.2	1.3	1.8	1.7
TOTAL PAYROLL	18.5%	15.5%	21.4%	18.4%	19.6%	16.0%
OTHER DIRECT	13.3%	10.4%	11.5%	12.2%	10.9%	7.7%
GROSS MARGIN	68.2%	74.1%	67.2%	69.4%	69.5%	76.3%
Base	(23)	(10)	(14)	(22)	(14)	(13)

TABLE 79

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS BY LENGTH OF SEASON

	Less Than 80 Days (000)	80-99 Days (000)	100-119 Days (000)	120-139 Days (000)	140-159 Days (000)	160 Days and Over (000)
Assets						
Current Assets	$ 284	$ 825	$ 830	$ 637	$1,271	$ 942
Gross Fixed Assets	3,144	5,370	4,900	3,687	4,811	4,695
Less: Depreciation	(1,368)	(2,007)	(2,012)	(1,140)	(1,559)	(2,095)
Other Assets	213	602	1,781	1,475	1,086	644
TOTAL ASSETS	$2,273	$4,790	$5,499	$4,659	$5,609	$4,186
Liabilities & Net Worth						
Current Liabilities	$ 391	$ 889	$ 775	$ 476	$ 815	$ 492
Long-Term Debt	737	1,479	1,812	1,033	1,475	751
Subordinated Debt	391	540	372	394	477	422
Deferred Taxes	19	142	224	20	79	217
Other Liabilities	15	63	53	39	239	36
Net Worth						
Invested	932	513	1,035	1,977	1,796	634
Retained Earnings	(212)	1,164	1,228	720	728	1,634
TOTAL LIABILITIES & NET WORTH	$2,273	$4,790	$5,499	$4,659	$5,609	$4,186
Base	(28)	(15)	(20)	(29)	(17)	(17)

IX

CHARACTERISTICS OF SKI AREAS WITH SNOWMAKING AND NIGHT SKIING OPERATIONS

For the fourth year, the study includes an additional chapter with an analysis of those respondents with snowmaking capability, and those that operate at night. This chapter presents this added data with a brief discussion of the major findings. The tables (Tables 80-89) follow the text.

Snowmaking ski areas averaged 10.0 percent operating profit on GFA, or below the ski industry average. Snowmaking is required east of the Rockies and this past season illustrated this vividly. Eighty-nine percent of the respondents in New England, the East and Midwest have machine snowmaking. There are 24 snowmaking ski areas in the Rockies and the West, or 34 percent. These 34 percent earned a 19.9 percent operating profit on GFA, whereas the remaining 66 percent reported an average of 17.6 percent operating profits on GFA.

These operations have been evaluated using the rule of thumb measure discussed in Chapter III.

	Total Revenue to GFA		Percent Utilization		Factor	Judgment
All Ski Areas	51%	÷	48%	=	1.06	Adequate
All Snowmaking	49	÷	50	=	.98	Adequate
New England Snowmaking	31	÷	42	=	.74	Poor
East and Midwest Snowmaking	44	÷	43	=	1.02	Adequate
Rockies and West Snowmaking	66	÷	57	=	1.16	Good
All Night Operations	49	÷	41	=	1.20	Good

Night operations were again separated. Night skiing effectively doubles the potential earning power with only cursory additions to capital. The economic characteristics of ski areas with potential night skiing are excellent. Earning power increases in spite of a significant drop in revenue per skier visit. Ski areas with night operations averaged a 9.0 percent return on GFA with only a 41 percent utilization, while the overall average ski area made 12.1 percent return at a 48 percent utilization rate.

The 1979-80 survey contains data concerning snowmade coverage, hours of operation and operating costs. Tables 87 and 88 summarize this data. The average ski area with snowmaking capability covers 68 acres or 21.0 percent of the developed slopes and trails. The East and Midwest regions cover 79.6 percent, and New England 39.6 percent, while only 6.8 percent of the Rockies and Western snowmade ski areas are machine covered.

Similarly the 52 ski areas with lights for night skiing cover an average of only 73 acres or 19.3 percent of the developed acreage.

Snowmaking Costs

In an effort to establish some standard measure of snowmaking efficiency the authors have summarized reported costs in costs per acre hour of snowmaking. An acre hour is the product of coverage (acres) and hours of system operations. Survey respondents were asked to supply acres of snowmaking coverage, hours of system operation, and operating costs broken into labor, power, maintenance, and other categories. Table 89 summarizes the results of this initial measure.

TABLE 80

AVERAGE SKI AREA CHARACTERISTICS
SKI AREAS WITH SNOWMAKING & NIGHT OPERATIONS

	With Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
SIZE					
VTF/Hour (000)	6,053	2,569	7,656	5,028	3,533
Gross Fixed Assets (000)	$6,063	$2,689	$6,287	$4,661	$2,837
Skiable Acres	181	95	783	323	377
LOCATION					
Within 50 Miles of SMSA	45%	56%	38%	40%	58%
With 6+ Areas in 1 Hour	80%	21%	33%	40%	19%
New England	100%	0%	0%	26%	8%
East	0%	50%	0%	22%	27%
Midwest	0%	50%	0%	22%	29%
Central Rockies	0%	0%	54%	17%	2%
Northern Rockies	0%	0%	13%	4%	8%
California & Nevada	0%	0%	25%	8%	6%
Pacific Northwest	0%	0%	8%	3%	21%
SITE CHARACTERISTICS					
Number of Beds at Base	326	133	1,466	593	162
Number of Beds (10 Miles)	1,832	1,528	9,076	3,928	1,633
With Snowmaking	100%	100%	100%	100%	75%
With Night Skiing	20%	82%	29%	50%	100%
Terrain: Beginner	21%	28%	24%	25%	25%
Intermediate	58%	50%	49%	52%	49%
Expert	21%	22%	27%	24%	26%
BUSINESS CHARACTERISTICS					
Operating With USFS Permit	30%	3%	79%	33%	31%
Engaged in Land Development	60%	35%	21%	37%	31%
OPERATIONAL CHARACTERISTICS					
Avg. Days/Nights of Operation	69	118	138	111	131
Average Peak Day Crowd	3,175	3,037	4,908	3,648	3,486
Average Skier Visits (000)	123	105	328	178	140
Average Age of Ski Areas	25 years	20 years	21 years	22 years	23 years
ECONOMIC CHARACTERISTICS					
Average Revenue/Skier Visit	$12.60	$ 9.86	$11.89	$11.50	$ 9.05
Avg. Lift Ticket Revenue/S-V	$10.20	$ 7.45	$10.37	$ 9.59	$ 7.28
Avg. Adult Lift Ticket Price (Weekend)	$14.00	$12.39	$12.41	$12.81	$11.43
Avg. Adult Lift Ticket Price (Weekday)	$11.68	$ 9.82	$11.82	$10.76	$ 9.43
Average Night Ticket Price	$ 6.13	$ 7.36	$ 6.14	$ 7.01	$ 7.02
Avg. Adult Season Ticket Price	$ 303	$ 207	$ 261	$ 248	$ 204
Average Utilization	42%	43%	57%	50%	41%
Avg. Profit (Loss) Before Tax	$ (254)	$ 94	$ 985	$ 279	$ 148
Ratio: Revenue/GFA	31%	44%	66%	49%	49%
Base	(20)	(34)	(24)	(78)	(52)

TABLE 81

ECONOMIC RATIOS–SNOWMAKING & NIGHT OPERATIONS

	With Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
VTF/Hour (000)	6,053	2,569	7,656	5,028	3,533
VTF/Hour - Demand/Skier Visit	1,500	1,246	1,816	1,557	1,446
Skier Capacity	4,035	2,061	4,216	3,230	2,443
Days/Nights of Operation	68	118	138	111	131
Season Capacity (000)	293	246	574	359	340
Actual Skier Visits (000)	123	105	328	178	140
Profit (Loss) Before Tax (000)	$ (254)	$ 94	$ 985	$ 279	$ 148
Plus: Depreciation (000)	$ 328	$ 164	$ 476	$ 302	$ 191
Before Tax Cash Flow (000)	$ 74	$ 258	$1,461	$ 581	$ 339
Operating Profit (Loss) (000)	$ (13)	$ 197	$1,253	$ 468	$ 256
Cash Operating Costs (000)	$1,558	$ 828	$2,447	$1,513	$ 942
Gross Fixed Assets (000)	$6,063	$2,689	$6,287	$4,661	$2,837
Secured Debt (000)	$2,618	$ 738	$2,916	$1,868	$ 804
Equity (000)	$1,621	$1,152	$4,261	$2,197	$ 957
Critical Ratios					
Health (Debt to Cash Flow)	35.4X	2.9X	2.0X	3.2X	2.4X
Profitability:					
Operating Profit on GFA	Loss	7.3%	19.9%	10.0%	9.0%
Profit (BT) on Equity	Loss	8.2%	23.1%	12.7%	15.5%
Performance:					
Average Utilization	42.0%	42.7%	57.1%	49.6%	41.2%
Days/Nights of Operation	68	118	138	111	131
Policy & Planning:					
Capital/Capacity Ratio	$1,503	$1,305	$1,491	$1,443	$1,161
Operating/Capacity Ratio	$ 5.32	$ 3.37	$ 4.26	$ 4.21	$ 2.77
Revenue/Skier Visit:					
Ski Lift Gross	$10.20	$ 7.45	$10.37	$ 9.59	$ 7.28
Ski School Margin	$ .32	$ .56	$ .39	$ .42	$ .36
Food Service Margin	$ .70	$ .38	$ .44	$ .47	$ .33
Bar Margin	$ .36	$ .31	$ .08	$ .19	$ .24
Ski Shop Margin	$ .34	$ .14	$ .14	$ .18	$ .12
Ski Rental Margin	$ .55	$ .89	$ .29	$ .49	$ .56
Other Margin	$ .13	$ .13	$ .18	$ .16	$ .16
Total - Revenue/Skier Visit	$12.60	$ 9.86	$11.89	$11.50	$ 9.05
Base	(20)	(34)	(24)	(78)	(52)

TABLE 82

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				
	New England (000)	East & Midwest (000)	Rockies & West (000)	All (000)	With Night Operations (000)
Gross Fixed Assets	$6,063	$2,689	$6,287	$4,661	$2,837
Revenue:					
Ski Lift Gross - Winter	$1,255	$ 785	$3,398	$1,709	$1,019
Ski Lift Gross - Summer	25	1	33	17	7
Supporting Margin - Winter	358	300	524	384	268
Supporting Margin - Summer	66	49	(4)	37	49
Year Round Margin	169	54	225	136	46
TOTAL REVENUE	$1,873	$1,189	$4,176	$2,283	$1,389
Less:					
Ski Lift Direct Expense	$ 356	$ 230	$1,034	$ 510	$ 327
Payroll Taxes	99	45	87	71	50
Property Operation	226	45	204	140	72
OPERATIONS MARGIN	$1,192	$ 869	$2,851	$1,562	$ 940
Less:					
General & Administrative	$ 311	$ 177	$ 430	$ 289	$ 199
Marketing (advertising, public relations, promotion, etc.)	197	68	214	146	63
Insurance (property, liability)	103	77	134	101	72
Land Use Fees (public)	28	6	96	40	15
Land Use Fees (private)	8	12	52	23	19
Property Taxes	39	21	41	32	20
Other Taxes (not income)	26	15	36	24	6
Snowmaking	142	102	76	104	78
Snow Removal	4	6	12	8	3
Miscellaneous	19	24	31	25	18
Depreciation & Amortization	328	164	476	302	191
OPERATING PROFIT (LOSS)	$ (13)	$ 197	$1,253	$ 468	$ 256
Less: Interest	241	103	268	189	108
PROFIT (LOSS) BEFORE TAX	$ (254)	$ 94	$ 985	$ 279	$ 148
Base	(20)	(34)	(24)	(78)	(52)

TABLE 83

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Percent of Gross Fixed Assets				
	Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
Gross Fixed Assets	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue:					
Ski Lift Gross - Winter	20.7%	29.2%	54.0%	36.7%	35.9%
Ski Lift Gross - Summer	0.4	0.0	0.5	0.4	0.2
Supporting Margin - Winter	5.9	11.2	8.3	8.2	9.4
Supporting Margin - Summer	1.1	1.8	(0.1)	0.8	1.7
Year Round Margin	2.8	2.0	3.6	2.9	1.6
TOTAL REVENUE	30.9%	44.2%	66.4%	49.0%	49.0%
Less:					
Ski Lift Direct Expense	5.9%	8.6%	16.4%	10.9%	11.5%
Payroll Taxes	1.6	1.7	1.4	1.5	1.8
Property Operation	3.7	1.7	3.2	3.0	2.5
OPERATIONS MARGIN	19.7%	32.3%	45.3%	33.5%	33.1%
Less:					
General & Administrative	5.1%	6.6%	6.8%	6.2%	7.0%
Marketing (advertising, public relations, promotion, etc.)	3.2	2.5	3.4	3.1	2.2
Insurance (property, liability)	1.7	2.9	2.1	2.2	2.5
Land Use Fees (public)	0.5	0.2	1.5	0.9	0.5
Land Use Fees (private)	0.1	0.4	0.8	0.5	0.7
Property Taxes	0.6	0.8	0.7	0.7	0.7
Other Taxes (not income)	0.4	0.6	0.6	0.5	0.2
Snowmaking	2.3	3.8	1.2	2.2	2.7
Snow Removal	0.1	0.2	0.2	0.2	0.1
Miscellaneous	0.3	0.9	0.5	0.5	0.6
Depreciation & Amortization	5.4	6.1	7.6	6.5	6.7
OPERATING PROFIT (LOSS)	(0.0)%	7.3%	19.9%	10.0%	9.2%
Less: Interest	4.0	3.8	4.3	4.1	3.8
PROFIT (LOSS) BEFORE TAX	(4.0)%	3.5%	15.6%	5.9%	5.4%
Base	(20)	(34)	(24)	(78)	(52)

TABLE 84

AVERAGE SKI AREA FINANCIAL DATA--INCOME STATEMENT SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Percent of Revenue				
	Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
Revenue:					
Ski Lift Gross - Winter	67.0%	66.0%	81.4%	74.9%	73.4%
Ski Lift Gross - Summer	1.3	0.1	0.8	0.7	0.5
Supporting Margin - Winter	19.1	25.2	12.5	16.8	19.3
Supporting Margin - Summer	3.5	4.1	(0.1)	1.6	3.5
Year Round Margin	9.0	4.5	5.4	6.0	3.3
TOTAL REVENUE	100.0%	100.0%	100.0%	100.0%	100.0%
Less:					
Ski Lift Direct Expense	19.0%	19.3%	24.8%	22.3%	23.5%
Payroll Taxes	5.3	3.8	2.1	3.1	3.6
Property Operation	12.1	3.8	4.9	6.1	5.2
OPERATIONS MARGIN	63.6%	73.1%	68.3%	68.4%	67.7%
Less:					
General & Administrative	16.6%	14.9%	10.3%	12.7%	14.3%
Marketing (advertising, public relations, promotion, etc.)	10.5	5.7	5.1	6.4	4.5
Insurance (property, liability)	5.5	6.5	3.2	4.4	5.2
Land Use Fees (public)	1.5	0.5	2.3	1.8	1.1
Land Use Fees (private)	0.4	1.0	1.2	1.0	1.4
Property Taxes	2.1	1.8	1.0	1.4	1.4
Other Taxes (not income)	1.4	1.3	0.9	1.1	0.4
Snowmaking	7.6	8.6	1.8	4.6	5.6
Snow Removal	0.2	0.5	0.3	0.4	0.2
Miscellaneous	1.0	2.0	0.7	1.1	1.3
Depreciation & Amortization	17.5	13.8	11.4	13.2	13.8
OPERATING PROFIT (LOSS)	(0.7)%	16.6%	30.0%	20.5%	18.4%
Less: Interest	12.9	8.7	6.4	8.3	7.8
PROFIT (LOSS) BEFORE TAX	(13.6)%	7.9%	23.6%	12.2%	10.6%
Base	(20)	(34)	(24)	(78)	(52)

TABLE 85

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
SKI LIFT GROSS:					
Revenue (Winter)	100.0%	100.0%	100.0%	100.0%	100.0%
LESS:					
Ski Lift Payroll	6.4	6.3	7.0	6.8	7.7
Ski Patrol Payroll	2.3	1.2	3.1	2.7	2.5
Slope Maintenance Payroll	1.4	1.4	2.2	1.9	1.4
Maintenance & Repair Payroll	3.7	3.5	3.4	3.5	3.7
Ticket Sales Payroll	0.9	1.7	1.4	1.3	1.6
Other Payroll	0.5	1.8	2.6	2.0	2.3
TOTAL PAYROLL	15.1	15.9	19.7	18.2	19.3
OTHER DIRECT	9.0	11.7	10.1	10.1	11.0
GROSS MARGIN	75.9	72.3	70.2	71.7	69.7
Base	(15)	(19)	(20)	(54)	(33)

TABLE 86

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				With
	New England (000)	East & Midwest (000)	Rockies & West (000)	All (000)	Night Operations (000)
Assets					
Current Assets	$ 741	$ 351	$1,601	$ 823	$ 412
Gross Fixed Assets	6,361	2,701	6,618	4,805	2,856
Less: Depreciation	(2,516)	(1,136)	(2,352)	(1,852)	(1,232)
Other Assets	710	496	2,652	1,192	209
TOTAL ASSETS	$5,296	$2,412	$8,519	$4,968	$2,245
Liabilities & Net Worth					
Current Liabilities	$ 940	$ 434	$ 1,061	$ 750	$ 397
Long-Term Debt	1,754	599	2,235	1,382	600
Subordinated Debt	864	139	681	486	204
Deferred Taxes	106	30	206	102	21
Other Liabilities	11	58	75	51	66
Net Worth					
Invested	1,461	701	2,151	1,327	537
Retained Earnings	160	451	2,110	870	420
TOTAL LIABILITIES & NET WORTH	$5,296	$2,412	$8,519	$4,968	$2,245
Base	(19)	(33)	(22)	(74)	(49)

TABLE 87

SNOWMAKING ACREAGE, COVERAGE AND CAPACITY
SKI AREAS WITH SNOWMAKING

	New England	East & Midwest	Rockies & West	All
Average Skiable Acres	181	95	783	323
Average Snowmade Acres	72	75	53	68
Proportion	39.6%	79.6%	6.8%	21.1%
Average Capacity	4,035	2,061	4,216	3,230
Average Density	22/acre	22/acre	5/acre	10/acre
Base	(20)	(34)	(24)	(78)

TABLE 88

SNOWMAKING ACREAGE, COVERAGE AND CAPACITY AREAS WITH NIGHT SKIING AND SNOWMAKING

	New England	East & Midwest	Rockies & West	All Areas With Night Skiing
Average Skiable Acres	-	-	-	377
Average Lighted Acres	29	63	60	73
Proportion	-	-	-	19.3%
Average Night Capacity	900	1,735	1,414	1,654
Average Night Density	31/acre	28/acre	24/acre	23/acre
Base	(4)	(28)	(7)	(52)

TABLE 89

SNOWMAKING COST ANALYSIS, 1979-80

	New England	East & Ontario	Midwest	Rockies & West	Total Sample
Labor (000)	$ 41.9	$ 33.7	$ 18.6	$ 35.2	$ 29.2
Power (000)	67.2	91.8	28.6	50.8	53.0
Maintenance (000)	13.4	16.3	11.5	10.6	11.4
Other (000)	19.8	9.0	7.0	10.0	10.5
Total (000)	$142.3	$150.8	$ 65.7	$106.6	$104.1
Acres	72	81	70	53	68
Hours	1,362	1,182	654	518	909
Average Cost/Acre Hour[a]	$ 1.56	$ 2.24	$ 1.56	$ 2.16	$ 1.87
Base	(20)	(16)	(16)	(24)	(78)

[a] This is an average of each separate ski area's system and not an average of the totals.

X

COMMENTS FROM SKI AREAS

While the previous chapters only included the results of the 131 ski areas that furnished complete financial data, this chapter includes comments from all 161 areas that replied, even if they were unable to provide complete financial data. The questionnaire asked respondents to provide comments on the season: What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that have affected your performance for the 1979-80 season? The answers to this question are reported verbatim in this chapter. They have been arranged by geographic area to make them more meaningful.

EAST

We were open only eight days in the winter of 1979-80 due to a lack of snow.

This season was disastrous due to lack of snow. This report deals only with the ski area, not the entire property.

New England had a snow drought. Only 23.5 inches fell on our facility. Because the facility is publicly owned and operated by a non-profit group, we were unable to apply for SBA loans—which aid profit-making small business concerns. So we had to go it on our own. We used volunteer labor to cut costs and reduced hours of operation.

Bad snow drought but because of snowmaking we were able to keep open 82 days on about one half of our mountain.

Fifth mountain added—Bear Mountain—steepest skiing in New England. U.S. Olympic Ski Team trained at Killington prior to Olympics. Snowmaking allowed reasonable season despite poor snow year.

This is a mid-New England no-snowmaking area. Our total snowfall in December was two inches, in January three inches. (Having seen but six inches in February and March the previous winter, we'd gone through four winter months with just 11 inches snowfall!) There was no snow in February prior to the 16th, on which date six inches fell. Nine inches more fell in the rest of February and 17 inches in March. We were open 26 days between February 17 and March 20. Most of those days the skiing was scratchy, though there were a few days with superb conditions in mid-March. We expect to attract about 100,000 skiers in a normal winter. The 1979-80 total was 13,100. Need any more be said?

Loon, like all of the Northeastern areas, suffered from the severe snow drought most of the season. Natural snowfall was 73.5 inches as compared to 133.2 last year and 165 inch annual average snowfall. We skied 118 days, we would have skied less than 18 days on natural snow only; so snowmaking was of paramount importance. Our emphasis on snowmaking, grooming and top to bottom skiing on that manmade snow allowed us to prosper on the failing of other ski areas to provide any or adequate skiing. The addition of a new West Base Lodge supplemented our capacity somewhat along with an increase by 300/hr. in capacity of our East Basin Chair. Demand was brisk and sellouts under our strict limited ticket policy were numerous, particularly in February and March. Sellout capacity was increased by 300 skiers per day due to the addition mentioned above. As a result, we have a modest increase in revenue and attendance, in both cases record figures.

Snowmaking allowed viable skiing despite poor snow year.

A disaster. Opened February 17, closed March 16. Total snowfall 37.5 inches. Worst "season" since 1937.

Weather–worst ever!!

Lack of snow in East necessitated more hours for snowmaking and more fuel. Often ran extra lift mid-week as marketing tool to appear as if large percentage of mountain was open. Crowd would not have justified running that lift under normal conditions. Heavier use of radio advertising to give feeling of activity and keep skiing in mind of customers.

Our first significant snowfall enabled us to open the top of the mountain on March 9. We operated our gondola only 7 days. We operated primarily on man-made snow all season, which was washed out three times, the crushing rainstorm being January 11 when we had begun to recover from the bad start.

We have lived through other relatively snowless winters, but this past one was, by all measures, the most severe. Our experience in those other winters was that we could provide good skiing conditions with our snowmaking system, but the crowds were generally moderate at best, and that there were many skiers not skiing who would have been well satisfied with the conditions here. The difference last winter was that the crowd did turn out to ski on man-made snow. We got off to an early snowmaking start and kept the greater percentage of the area open all winter. This, coupled with the short supply of skiing elsewhere, made 79-80 season a good one for us.

Lack of snow during 79-80 affected business very much.

We are a major New Hampshire State Park so summer business and costs included. Ski season was a disaster–revenues down 90%.

The poorest snow conditions since 1912 resulted in the company's poorest year in its 40-year history. Spent $5,000,000 on capital improvements prior to season which included a snowmaking system top-to-bottom on Mt. Mansfield; good timing, without it we could not have opened.

New double chair on novice slope. Unusual weather, "no snow," winter was cancelled.

New Base Lodge–NO SNOW!

Not printable!

Unusual weather December and January: unseasonably warm. February with more normal winter weather brought skiers in record numbers for the month.

Warm, rainy December and January resulted in limited skiing conditions. Super good February. Good demand when conditions favorable.

Expansion: Constructed our own sewer system: $70,000. Operating: The start of the season was very bad, but in February and March we made up the lost skier visits of December and January and achieved our budgeted skier visits and revenue. Very few of the southern Ontario operators achieved this. We have to call the last winter a good one (revenue or operating wise). Capital: We finally got around and got an unanswered amount of interest payment legally established and have taken out a final loan to pay the old owner of the area: $108,300.

79-80 season started with a bang on November 29, 1979 with a total snowfall of 36 inches in 24 hours, enabling us to open the entire area at once. Unfortuanately for all of western New York as well as most of the Northeast, there was no more snow until the weather turned cold in late January and our snowmakers went into action. February and March were the best single months in our history for those two months and we were satisfied with the final results, all facts considered. In summary, it was the "Year of the Snowmaker" for us.

The worst snow drought in ten years. However, agressive snowmaking and the installation of a new quad (the world's largest) gave us our longest season in our 33 year history, record gross and record profits. If that's the worst nature can do . . . the war is over and we won!

Built 7,000 foot garage. Short winter, starting after Christmas. February a record month. Added snowmaking slopes, night skiing, completed 20 townhouses on slopes.

After completing our $1-million expansion we got hit with inflation, lack of natural snow and increased snowmaking costs. We were able to increase our gross by $200,000. While our gross was a record our net was a loss due to the increase in prime interest rate and other inflationary costs. From a marketing standpoint, our expansion was a success.

Added $70,000 capital improvements, mostly snowmaking efficiency projects. With great help skied two days more than 78-79. Fuel costs way over budget, due to unforeseeable increases. Kept gallonage about same as past years.

The unusual lack of natural snow precluded any project execution that might have been planned since we were able to open for business only four days.

Lack of natural snowfall really hurt business. We had a really great machine, made base, but people would not believe we had any snow.

A fantastic financial loss, caused by very expensive improvements last summer, followed by snow drought, plus bank interest rates climbing to 20%.

Poor winter weather–not much natural snow at all.

Horrible season! I sure hope we don't see one like this again. We have no snowmaking and we were only able to open for 13 days (four days with our chair and 13 days with T-bar). Income was approximately 10% of a normal year.

Lack of natural snow limited skiing to areas covered by snowmaking, except for 13 days in March. Skiers influenced by bad media publicity in January and early February, even when skiing was good. Snowmaking costs very high. Early season weather increased difficulty of making snow. Many no-profit events transferred to Cranmore as originally scheduled areas closed or with marginal skiing. Reduced rate for day tickets when upper trails not skiable. Season ticket sales down 58%, especially local.

Only skied one week in January, the month of February and one week in March.

Opened early November 28, salvaged 65 days, skied ten days of January. New Summer '80 Rollka Grass Skiing June through September.

MIDWEST

Very late start—normally open early November, this year not until December. Strong finish to year, however, with best February and March ever.

The weather in our area contributed to a very good season.

As you know the natural snowfall was nill but we worked like mad and made snow and had one of the best seasons ever. Maybe people should work harder and stop asking the government to step in.

A short and mild season. However, with expanded facilities when conditions were right, a tremendous surge in skier participants, looking for THE exhilarating experience (seemingly an important reason for the growth of the sport; to stimulate a "personal high" away from the everyday life).

The worst winter in the company's history.

We did not have a good snow cover until late January. Crowds remained light even with good snow in February. Did not get open until December 26. Early closing (March 19).

Very warm weather through January 2, 1980. Approximately 50% of area open through Christmas and New Year's. Skier days half of normal and ticket prices were reduced until the first part of January 1980.

Season lacked sufficient natural snowfall to support the area's needs. This caused double economic blow, causing additional operating costs to manufacture snow and second, lack of natural visable snow caused a shortage of paying skiers.

Major expansions included new chalet; three-place chair; large well and pumping facility; expanded radio and wire communications. Warm weather in November and December seriously delayed our opening and slowed snowmaking so that it was some time before all runs were covered.

We had one of our best seasons this past year.

Lack of snow in market areas during first third of season hurt. Energy cost rise will be substantially reduced this year due to new technology, etc.

December and early January were disastrous–although we were able to be open most of the available days, marginal conditions kept skiers home and sales were off 25%. February and March, however, made up for most of the lost days and the season ended on the plus side.

For the first time in over 20 years, since we started snowmaking, a warm December and first half of January prevented early snowmaking and we lost almost half of our season. There was very little natural snow. When cold weather finally arrived, we did better than usual. Cost and availability of gas is only a minor problem for us.

Tough winter. Warm weather slowed down snowmaking. Fabulous February saved the winter.

Were not able to open until January 17. Only received about two inches of natural snow all season. All skiing was done on artificial snow which was expensive. Late opening caused seasonal memberships to drop by two thirds.

November and December 1979 were a snow drought for us. We didn't have good skiing until after the first of the year.

1979 started out with a good snowfall and good snowmaking weather in late November and early December. We then lost most of December and January as a result of mild weather.

ROCKY MOUNTAIN

Slow start then shut down for 21 days. Good end of season.

Added one new lift. Recorded a record 400 inches of snow.

1979-80 was an excellent operating season with snow coming at just the right times. We look forward to additional expansion and continued success in the years to come.

Consistent snow conditions.

Our season was longer than usual due to snowmaking facilities we have now, but we had poor natural snow most of December, thus fewer skiers in December. We went to a split price–higher on weekends and holidays–lower on weekdays–we felt it was very effective for us, and will continue the split next season.

Sunlight under new management as of late September 1979 and emphasis was strongly increased on slope grooming and customer service.

A new mid-mountain restaurant was constructed yet was not in operation until March. Snow conditions were very poor until mid-January. After the snow conditions improved, a 33% increase in skiers was realized for February and March. Extensive summer trail work improved the skiing considerably.

Disappointing financially because of our failure to raise prices.

1979-80 was a long and snow-rich winter helped by (for our region) relatively high water contents in the snows. The season was helped by early editorial help by major ski publications in this country and in England. There was no major change in the skier mix. California dominating the destination (package) sector with better than 24% of the total. Day skiers originate mostly from Texas, then New Mexico and Colorado.

Geneva Basin feels that the weather of 1979-80 greatly affected the skier visits this year. Little snow for the Christmas rush–then cold and high winds.

The weather and our snow conditions, compared to other areas, made for a good season.

Excellent opening, November 24, all facilities open by November 28. Rain and no snow first three weeks in December. Season pass sales off budget by $250,000–sold 1,300 less than previously. Balance of season normal with excellent spring. Cold weather and excellent snow through mid-April resulted in a "catch up" of about half the December revenue shortfall.

The snow season was the worst on record, delaying our opening on even marginal conditions until December 30. Normal opening: December 1. Change in management markedly lowered expenses.

Snowmaking opened lower mountain November 17. Most competitors could not open until Christmas or January. Largest single-day AND seasonal skier-day counts ever recorded.

Late start on December 8. We had only 129 day winter season; average is 140.

Nothing unusual. We have a very small operation and the conditions were average.

Open 43 days on snowmaking. Lack of snow in early season. Managed to gross 2/3 volume of previous year with only 10% of area open. Starting a night skiing program, relatively successful.

Very slow start to the season. Eleven inches of snowfall in December, 62 inches normal, 128 inches of snow during month of January, normal 64 inches. Crowds very strong for months of March, April and May. Closed on June 1 with 1,552 skiers. Front range skiers returning to Arapahoe Basin to ski again after new owner and lift upgrade in 1978. Major market thrust with King Soopers stores selling our tickets increased convenience to purchase tickets and better market penetration for new skiers.

WEST

Opened 30 days later than in 78-79, closed three days in January due to rain. Weather didn't cooperate until after Washington's birthday. Very strong finish. Overall not as good as 78-79.

Skiers–the greatest impact on our area was the timing of severe storms–Thanksgiving weekend, Christmas, New Year's, Washington's Birthday, and Easter were all in the midst of heavy storms, not to mention 40% of the remaining weekend days having storms or chain controls. Other–the combined effect of prime rates as high as 20% together with rapidly escalating generator fuel prices caused what normally would have been a profitable year to become an unprofitable one.

Late start for season, December 27. Excellent snow for balance of season. Rain (extremely rare) on Washington's birthday; fire destroying power plant caused 1½ day shutdown of electrically operated chair lift until new generator and hi lines restored.

Added one lift and two trails in '79; expanded lodge and parking. Weather was unusual; started late, had two shut-down days due to rain but overall was good. Skier count up 6%.

New quad chair lift installed; however, did not realize full potential due to very poor ski conditions–more rain and wind than snow.

Unusually wet season. Lost six major weekend days due to rain.

The ski area was unable to open until December 23, 1979, thereby reducing potentially realized skier days by at least 80,000 skier visits. Also, there were tremendous rains in mid-January, which resulted in two days of closure and approximately ten days of reduced skier volumes.

Increased our ticket prices from $10 to $11 on March 13, 1980. Our new Chair 7 increased expert ski terrain and eased pressure on our upper chairs.

Early start (October 26) set the stance for a record season. Everything worked well such as good holiday and weekend weather. Not a big snow year, but it came at the right time. Market program as a family low-cost vacation very effective.

Opened approximately three weeks later than normal because of late snowfall. New triple chair increased our VTF by 1,386,000.

Summer season operations: food service includes bar; retail service includes rental shop; sports department includes ski school–reflects year-round skiing due to Palmer Chairlift.

Our resort opened two days before Christmas with a total of 18 inches, providing a general consensus that we lost Christmas vacation financially. Night was poor. High winds, cold temperatures and rain causing us to close night skiing for the season after 16 nights of operation of poor results.

Weather varied a lot. Low snow. Merged with Ski Acres, August 1980.

A late start and closed highways had an adverse effect on season.

Due to dry weather the area opened two weeks later than average. Heavy snow at the start of the season and regular snowfall thereafter ensured good skiing from the outset of the season through to mid-April. An extended above-average warm spell closed the area at the end of April; two weeks earlier than average.

Poor local economy–increasing competition from other ski area with on-site accommodations. Poor snow early and late start resulted in poor season pass sales.

Season was shortened by two factors: lack of snow delayed regular opening from November 15 to December 14; abnormally warm spring reduced spring skiing participation due to other activities (golf, etc.).

Opened late (December 17) due to lack of snow and rain on December 12.

Opened surface lift December 28. Chair opened January 19. February unseasonably warm. Non-peak utilization exceeded projections (four colleges involved in physical education programs).

We were unable to open for the Christmas holiday (opening day December 29) due to lack of snow and we experienced bad to terrible weather during most subsequent holiday periods and on several weekends.

Unusual weather conditions are becoming the norm. We haven't had one average year of operation. Last year's snowfall was only 40% of the average.

79-80 was for a "washout season." From 1950 to 1975 average total snowfall was 18 feet. Last year's total was three feet. Season pass visits estimated at 18 per season.

APPENDIX A

LIST OF SKI AREAS RESPONDING TO THE NATIONAL SKI AREAS ASSOCIATION ANNUAL ECONOMIC SURVEY, 1979-80 SEASON

This list consists of the 131 ski areas that responded to the annual economic survey and provided complete financial data. The ski areas are listed in alphabetical order by region.

East

Appalachian Ski Mountain
P.O. Box 106
Blowing Rock, North Carolina 28605

Attitash Ski Area
Route 302
Bartlett, New Hampshire 03812

Blue Mountain Resorts Ltd.
R.R. No. 3
Collingwood, Ontario
Canada L9Y 3Z2

Bretton Woods Resort
Route 302
Bretton Woods, New Hampshire 03575

Bristol Mountain
R. D. No. 3
Canandaigua, New York 14424

Bromley
P.O. Box 1130
Manchester Center, Vermont 05255

Burke Mountain Recreation
East Burke, Vermont 05832

Butternut
Gt. Barrington, Massachusetts 01238

Camden Snow Bowl
P.O. Box 456
Camden, Maine 04843

Camelback Ski Corp.
Box 168
Tannersville, Pennsylvania 18372

Canaan Valley Ski Area
Route 1, Box 39
Davis, West Virginia 26260

Cataloochee Ski Area
Route 1, Box 500
Maggie Valley, North Carolina 28751

Elk Mountain Ski Center
R.D. No. 1, Box 258
Union Dale, Pennsylvania 18470

Gunstock Area
Box 336
Laconia, New Hampshire 03246

Hidden Valley Highlands Ski Club
Group Box 74, R.R. No. 4
Huntsville, Ontario
Canada P0A 1K0

Holiday Valley Ski Resort
P.O. Box A, Holiday Valley Rd.
Ellicottville, New York 14731

Jay Peak Ski Area
Route 242
Jay, Vermont 05859

Jiminy Peak
Corey Road
Hancock, Massachusetts 01237

Killington Ski Area
Killington Road
Killington, Vermont 05751

King Ridge
R.F.D.
New London, New Hampshire 03257

Kissing Bridge Corporation
Route 240
Glenwood, New York 14069

Loon Mountain Recreation Corporation
Lincoln, New Hampshire 03251

Mont Tremblant Lodge
Mont Tremblant
Quebec, Canada J0T 2H0

Mt. Mansfield Company
R.R. No. 1
Stowe, Vermont 05672

Mount Snow Ski Resort
Mount Snow, Vermont 05356

Mt. Sunapee State Park
Mt. Sunapee, New Hampshire 03772

Mt. Watatic
Route 119
Ashby, Massachusetts 01431

Okemo Mountain
R.F.D. No. 1
Ludlow, Vermont 05149

Peek'n'Peak Recreation
P.O. Box 100
Clymer, New York 14724

Ski Hickory Hill, Inc.
P.O. Box 9004
Schenectady, New York 12309

Ski Liberty
Box D
Fairfield, Pennsylvania 17320

Ski Roundtop
R.D. No. 1, Box 256
Lewisberry, Pennsylvania 17339

Ski Sundown
Ratlum Road
New Hartford, Connecticut 06057

Ski Valley Club
West Hollow Road
Naples, New York 14512

Snowshoe
Box 10
Snowshoe, West Virginia 26209

The Stratton Corporation
Stratton Mountain, Vermont 05155

Sugarloaf/USA
Kingfield, Maine 04947

Swain Ski Center
Swain, New York 14884

Temple Mt. Ski Area
Route 101
Peterboro, New Hampshire 03458

Waterville Valley
Waterville Valley, New Hampshire 03223

Wildcat Mountain
Pinkham Notch
Jackson, New Hampshire 03846

Windham Mt. Club, Inc.
South Street
Windham, New York 12496

Midwest

Buck Hill, Inc.
15400 Buck Hill Road
Burnsville, Minnesota 55337

Indianhead Mountain
Indianhead Mountain Road
Wakefield, Michigan 49968

Mt. Brighton, Inc.
4141 Bauer Road
Brighton, Michigan 48116

Nubs Nob
4021 Nubs Nob Road
Harbor Springs, Michigan 49740

Paoli Peaks, Inc.
P.O. Box 67
Paoli, Indiana 47454

Pine Mountain
Pine Mountain Road, Route 2
Iron Mountain, Michigan 49801

Powder Ridge Ski Corporation
Kimball, Minnesota 55353

Rib Mountain Lodge & Ski
Route 4, Box 387
Wausau, Wisconsin 54401

Schuss Mountain, Inc.
Route No. 1
Mancelona, Michigan 49659

Skyline Ski Area
Route No. 1, Box 1708
Grayling, Michigan 49738

Snow Trails
P.O. Box 163
Mansfield, Ohio 44901

Spirit Mountain Recreation Area
9500 Spirit Mountain Place
Duluth, Minnesota 55810

Sugar Hills–Lodge
Sugar Lake, Box 309
Grand Rapids, Minnesota 55744

Sunburst Ski Area
8355 Prospect Drive
Kewaskum, Wisconsin 53040

Telemark Ski Area
Telemark Road
Cable, Wisconsin 54821

Val Chatel
Park Rapids, Minnesota 56470

Welch Village Ski Area, Inc.
P.O. Box 123
Welch, Minnesota 55089

Whitecap Mt. Recreation
P.O. Box D
Montreal, Wisconsin 54550

Wilmot Mountain Inc.
Box 177
Wilmot, Wisconsin 53192

Rocky Mountain

Alta
Alta, Utah 84070

Arizona Snow Bowl
P.O. Box 158
Flagstaff, Arizona 86002

Aspen Mountain
P.O. Box 1248
Aspen, Colorado 81611

The Big Mountain
P.O. Box 1215
Whitefish, Montana 59937

Bogus Basin
731 N. 15th Street
Boise, Idaho 83702

Breckenridge
Box 1058
Breckenridge, Colorado 80424

Bridger Bowl
15,795 Bridger Canyon Rd.
Bozeman, Montana 59715

Buttermilk Mountain
P.O. Box 1248
Aspen, Colorado 81611

Copper Mountain, Inc.
2526 Prudential Plaza
Denver, Colorado 80265

Crested Butte Mtn. Resort
P.O. Box 528
Crested Butte, Colorado 81224

Discovery Basin, Inc.
Box 450
Anaconda, Montana 59711

Geneva Basin Ski Corporation
P.O. Box 65
Grant, Colorado 80448

Grand Targhee Resort
12 Miles East of Driggs
Driggs, Idaho 83422

Hidden Valley Ski Area
P.O. Box 98
Estes Park, Colorado 80517

Lake Eldora Corporation
P.O. Box 430
Nederland, Colorado 80466

Loveland Basin Ski Areas
P.O. Box 455
Georgetown, Colorado 80444

Marshall Mtn. Ski Area
5250 Marshall Canyon Rd.
Missoula, Montana 59801

Park City
P.O. Box 39
Park City, Utah 84060

Powderhorn Ski Area
P.O. Box 1826
Grand Junction, Colorado 81502

Purgatory
Durango Ski Corporation
P.O. Box 666
Durango, Colorado 81301

Red Lodge Mountain
P.O. Drawer R
Red Lodge, Montana 59068

Sandia Peak Ski Company
10 Tramway Loop NE
Albuquerque, New Mexico 87122

Santa Fe Ski Area
P.O. Box 2287
Santa Fe, New Mexico 87501

Showdown Ski Area
Box 92
Neihart, Montana 59465

Sierra Blanca Ski Resort
P.O. Box 220
Ruidoso, New Mexico 88345

Sipapu Ski Area
Route Box 29
Vadito, New Mexico 87579

Ski Sunlight
P.O. Box 1061
Glenwood Springs, Colorado 81601

Snow Basin, Ltd.
P.O. Box 200
Huntsville, Utah 84317

Snowmass
P.O. Box 1248
Aspen, Colorado 81611

Steamboat Ski Corporation
P.O. Box 1178
Steamboat Springs, Colorado 80477

Stoner
Box 218
Cortez, Colorado 81321

Taos Ski Valley Inc.
Taos Ski Valley
Taos, New Mexico 87571

Telluride Ski Resort
P.O. Box 307
Telluride, Colorado 81435

Vail
P.O. Box 7
Vail, Colorado 81657

Winter Park Recreational Association
P.O. Box 36
Winter Park, Colorado 80482

Wolf Creek
Box 1036
Pagosa Springs, Colorado 81147

West

Alpental, Inc.
P.O. Box 1038
Snoqualmie Pass, Washington 98068

Alpine Meadows
P.O. Box AM
Tahoe City, California 95730

Anthony Lakes Corporation
P.O. Box 89
North Powder, Oregon 97867

Apex Alpine Recreations Ltd.
Box 486
Penticton, B.C.
Canada V2A 6K9

Boreal
Box 39
Truckee, California 95734

Crystal Mountain
Crystal Mountain, Washington 98022

Dodge Ridge
P.O. Box 1188
Pinecrest, California 95364

Forbidden Plateau
2050 Cliffe Avenue
Courtenay, B.C.
Canada V9N 2L3

Fortress Mtn. Resorts Ltd.
P.O. Box 7220 Station E
Calgary, Alberta
Canada T3C 3M1

49° North
Box 166
Chewelah, Washington 99109

Heavenly Valley
P.O. Box AT
South Lake Tahoe, California 95705

Hoodoo Ski Bowl
Box 20, Highway 20
Sisters, Oregon 97759

Hudson Bay Mountain
Box 492
Smithers, B.C.
Canada V0J 2N0

Kimberly Ski Area
Box 40
Kimberly, B.C.
Canada V1A 2Y5

Kirkwood Ski Resort
P.O. Box 1
Kirkwood, California 95646

Lee Canyon
1552 Winwood Street
Las Vegas, Nevada 89108

Mammoth Mountain Ski Area
P.O. Box 24
Mammoth Lakes, California 93546

Mission Ridge
P.O. Box 1765
Wenatchee, Washington 98801

Mt. Bachelor, Inc.
P.O. Box 1031
Bend, Oregon 97701

Mt. Hood Meadows
P.O. Box 47
Mt. Hood, Oregon 97041

Mt. Reba, Inc.
P.O. Box 38
Bear Valley, California 95223

Multorpor Ski Bowl
P.O. Box 87
Government Camp, Oregon 97028

Northstar-at-Tahoe
P.O. Box 129
Truckee, California 95734

Schweitzer, Inc.
P.O. Box 815
Sandpoint, Idaho 83864

Sierra Ski Bowl
Twin Bridges, California 95735

Silver Star Ski Area
P.O. Box 1720
Vernon, B.C.
Canada V1T 8O3

Ski Acres, Inc.
3010 77th Ave., SE, No. 201
Mercer Island, Washington 98040

Ski Incline
P.O. Drawer AL
Incline Village, Nevada 89450

Ski Sunrise
P.O. Box 645
Wrightwood, California 92397

Snowqualmie Summit
3767 E. John Street
Seattle, Washington 98112

Snow Summit Ski Corporation
P.O. Box 77
Big Bear Lake, California 92315

Stevens Pass, Inc.
P.O. Box 98
Leavenworth, Washington 98826

Sugar Bowl
Norden, California 95724

Timberline Lodge
General Delivery
Government Camp, Oregon 97028

The following list contains the names of those ski areas who responded but were unable to provide complete financial data.

East

Belleayre Mountain Ski Corporation
P.O. Box 313
Highmount, New York 12441

Big Tupper Ski Area
P.O. Box 820
Tupper Lake, New York 12986

Black Mountain Ski Area
Route 16-B, Box B
Jackson, New Hampshire 03846

Blue Hills Ski Area
4001 Washington Street
Milton, Massachusetts 02186

Cloudmont Ski Resort
Route 1
Mentone, Alabama 35984

Eastover, Inc.
East Street
Lenox, Massachusetts 01240

Holiday Mountain
Box 629
Monticello, New York 12701

Lost Valley Inc.
Lost Valley Road
Auburn, Maine 04210

Mt. Cranmore Skimobile
Box 640
North Conway, New Hampshire 03860

Orange County Ski Area
R.D. No. 3, Route 416
Box 100
Montgomery, New York 12549

Prospect Ski Mountain
34 West Road
Lord Bennington, Vermont 05201

Sky Valley
Dillard, Georgia 30537

Timber Ridge
Windham, Vermont 05359

Midwest

Gladstone Sports Park
Lowrie Avenue
Gladstone, Michigan 49837

Hole in the Mountain
Lake Benton
Lake Benton, Minnesota 56149

Quadna
Hill City, Minnesota 55748

BEST AVAILABLE COPY

Rocky Mountain

Arapahoe Basin/Keystone
Box 38
Keystone, Colorado 80435

Mt. Holly Ski Area
P.O. Box 1059
Beaver, Utah 84713

Ski Broadmoor
The Broadmoor
Colorado Springs, Colorado 80906

Sunrise Ski Resort
P.O. Box 217
McNary, Arizona 85930

West

Alyeska Resort
P.O. Box 249
Girdwood, Alaska 99587

Bluewood
P.O. Box 1405
311 Drumheller Building
Walla Walla, Washington 99362

Cypress Provincial Park
1600 Indian River Drive
North Vancouver, B.C.
Canada V7G 1L3

Garibaldi Lifts
Whistler Mountain
602-325 Howe Street
Vancouver, B.C.
Canada V6C 1Z7

Gibson Pass
Parks Branch, Manning Park
B.C., Canada V0X 1R0

High Wallowas
P.O. Box 128
Wallowa Lake
Joseph, Oregon 97846

Kitsumkalum Mountain
No. 9 4644 Lazelle Avenue
Terrace, B.C.
Canada

Ski Ashland, Inc.
P.O. Box 220
Ashland, Oregon 97520

Stover Mountain Ski Area
P.O. Box 51
Chester, California 96020

Tahoe Donner Ski Bowl
P.O. Drawer G
Truckee, California 95734

APPENDIX B

National Ski Areas Association
Annual Economic Survey
1979-80 Season

PLEASE RETURN BY AUGUST 15, 1980

This questionnaire represents the twelfth economic survey of North American Ski Areas. The response in 1978-79 allowed us to prepare an excellent analysis of the industry. We again solicit your cooperation. Please return it as soon as possible.

The data must include the 1979 summer season and the winter season 1979-80 — an entire 12 month period. If you wish to send us a copy of your financial statement we will complete a questionnaire for you.

The instructions and definitions provided are designed to facilitate the collection of comparable data — please follow them as closely as possible. The definitions are arranged as they appear in the questionnaire.

We have asked you to identify your area for follow-up purposes; however, all information will be kept strictly confidential.

Name of Ski Area ______________________ Telephone ______________
Address ____
City ______________________ State ______________ Zip Code ________
Fiscal Year: ______________ 19 ______ to ______________ 19 ______
Person to contact if further information is required ______________________
Telephone number where contact person can be reached during September and October ______________
Person to whom the final report should be sent ______________________
____

GENERAL INFORMATION (For Classification Purposes)

1. Ski lift data that you provided in previous surveys is stored on punched cards. If you provided this data previously list only new lifts added and old lifts retired or rebuilt to different capacities.

(If no changes, please give 1978-79 VTF/Hr total: ______________________)

A	B	C	D	E
Lift Type (Please list each lift separately)	**Year Lift First Operated**	**Vertical Drop**	**Uphill Capacity in Skiers/Hour**	**VTF/Hour (C×D)**
			Total Area Vertical Transport Feet/Hour	

2. Year of first operation ____________

3. Does your ski area have snowmaking?
( ) Yes ( ) No

How many hours did you operate snowmaking equipment in 1979-80? ____________ Hours

4. What is the total number of skiable acres at your ski area:

a) Total skiable acres of slopes and trails: __________ acres
b) Acres covered with snowmaking equipment: __________ acres
c) Acres under lights for night skiing: __________ acres

5. Classification of your ski area — choose one. (See **Definitions 8, 9, 10, and 11.)**
( ) Day Skier Area ( ) Weekend Skier Area
( ) Vacation Skier Area ( ) Weekend Only Area

6. We are seeking an absolute measure of growth in usage. Skier-visits is the universally accepted measure of business volume. Would you provide us with your skier-visit count for the past five ski seasons? (See **Definition 12.)**

1979-80 ______________ skier-visits

1978-79 ______________ skier-visits

1977-78 ______________ skier-visits

1976-77 ______________ skier-visits

1975-76 ______________ skier-visits

7. We are seeking a measure of your ski area daily and seasonal capacity. Capacity is the product of the number of skiers at one time and the number of time periods. Would you please provide us with the following data?

a) Your peak crowd in 1979-80: ________ skiers at one time
b) Your estimate of your "comfortable" *day* time skier capacity in 1979-80: ________ skiers at one time
   1) Number of days when all trails were open and skiable, and you could handle a full crowd: ________ days
   2) Number of days when at least half your ski area was open and skiable, but not all, and you could handle less than your "comfortable" crowd: ________ days
   3) Number of days when less than half of your ski area was open and skiable, and you could handle less than half of your "comfortable" crowd: ________ days
   4) Total days of operation 1979-80: ________ days
c) If you also operate some lifts and trails at night, your estimate of your "comfortable" *night* time skier capacity in 1979-80: ________ skiers at one time
   1) Number of nights when all night lifts and trails were open and skiable and you could handle a full night time crowd: ________ nights

8. Ticket Price:

Adult Weekend All-Day Ticket $ ____________

Adult Weekday All-Day Ticket $ ____________

Night Ticket Price $ ____________

Season Ticket Price $ ____________

9. Proximity to metropolitan area (SMSA) in miles. (See **Definition 13.)**
( ) 0-24 ( ) 25-49 ( ) 50-74 ( ) 75-99
( ) 100 or More

10. How many ski areas are within 1 hour's driving time of your area:
( ) 0 ( ) 1 ( ) 2-3 ( ) 4-5 ( ) 6 or More

11. Percentage of your terrain in the following categories:

Beginner ________ %

Intermediate ________ %

Expert ________ %

12. Lodging available to ski patrons:

Number of beds at your base area ____________

Number of beds within 10 miles of your base area *(including beds at base)* ____________

13. Other activities available at your area:

	Yes	No
Toboggan or Sleds	( )	( )
Snowmobile	( )	( )
Skating	( )	( )
Ski Touring	( )	( )
Golf	( )	( )
Tennis	( )	( )
Swimming	( )	( )
Water Sports	( )	( )

14. Ski Area Land Ownership is:
( ) All private land
( ) Partially or wholly public land
   ( ) U.S.F.S. permit
   ( ) State land lease
   ( ) Canadian Government land lease
   ( ) Other (county, etc.)

Percent of slope transport feet **(see Definition 14)** on public land ________ %.

15. Is your area engaged in land and/or real estate development?
( ) Second home residential sites
( ) Second homes
( ) Condominium sites
( ) Condominiums
( ) Commercial sites
( ) Commercial buildings
( ) Not engaged in land development

16. Please give us the average number of employees for each of the categories listed below:

	Lift Dept.	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accommodations	Other	Total All Operations
Average day	___	___	___	___	___	___	___	___	___
Peak day	___	___	___	___	___	___	___	___	___

1979-80 Itemized Income Statement for a 12-Month Period ______ 1979 Through ______ 1980 (See Definitions 15-20).

Winter Season Operations

	Ski Lift Dept.	Ski School	Food Service	Bar	Retail Store	Rental Shop	Accommodations	Other[1]
Do not have:	( )	( )	( )	( )	( )	( )	( )	
Own and Operate:	( )	( )	( )	( )	( )	( )	( )	
Concession:	( )	( )	( )	( )	( )	( )	( )	
In thousands:	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Revenue — Gross Sales or	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___
Concession Income	....	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___
Less: Direct Expenses								
(A) Cost-of-Goods-Sold	....	....	$ ___	$ ___	$ ___	$ ___[4]	....	$ ___
(B) Direct Labor	$ ___*	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___
(C) Other Direct[5]	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___
Less: Direct Allocations:								
(D) Payroll Taxes, etc.[6]								
(E) Property Operation[7]								
(F) ______________								
Equals: GROSS MARGIN:	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___	$ ___

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*Detail Lift Department	(000)
Direct Labor: Lift	$ ___
Ski Patrol	$ ___
Slope Maintenance	$ ___
Maintenance and Repair	$ ___
Ticket Sales	$ ___
Other	$ ___

[1] Other includes Lockers, Nursery, Souvenirs, Coin Machines, Snow Tours, Ice Skating, etc.

[2] The Utility Dept. is for those ski areas that operate community water, sewer, power, plowing, telephone, garbage collection, etc., services either for a fee or free.

[3] Misc. includes Interest Income, Timber Sales, and other unconventional undertakings.

[4] Include the depreciation of rental equipment under cost-of-goods-sold instead of the depreciation account. This is because of the general short life of this equipment.

[5] Other Direct Costs to include the utility cost (except snowmaking), repair and maintenance costs, parts and supplies costs, uniform costs, and any other costs that are directly attributable to the departmental operation.

[6] Payroll Taxes and Employee Benefits to include FICA and unemployment taxes, health, disability and workman's compensation insurance, life insurance, pension and profit sharing, vacation and holiday pay, meals, gifts, etc.; may be allocated by department or grouped under the annual totals in accordance with your accounting treatment.

[7] Property Operation to include utilities (except snowmaking power), fuel, gas and oil, vehicle repairs and maintenance, building repairs and maintenance, parking lot operation, grounds maintenance, waste disposal, janitorial, security, heat-light and power; may be allocated by department or grouped under annual totals in accordance with your accounting treatment.

17 Will you please provide us with comments on your 1979-80 season? What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that have affected your performance for the 1979-80 season? (Please use an additional sheet if necessary).

Year Round Operations			Summer Season Operations						
Real Estate	Utility[2] Dept.	Misc.[3]	Lift Dept.	Food Service	Retail Store	Sports Dept.	Accommodations	Summer Slide	ANNUAL TOTALS
( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )		
(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______
______	$ ______	$ ______	$.........	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______
______	....	$ ______	....	$ ______	$ ______	....	....	$ ______	$ ______
______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______
______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______
									$ ______[6]
									$ ______[7]
									$ ______
______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______	$ ______

Less: Common Expenses:
(A) General and Administrative .... $ ______
(B) Marketing (Adv.; Pub.; Pro.; P.R.; etc.) .... $ ______
(C) Insurance: (1) Property (Fire, Theft, etc.) .... $ ______
(2) Liability .... $ ______
(D) Land use fees (1) Public Land Lease .... $ ______
(2) Private Land Lease .... $ ______
(E) Taxes (Except Income taxes)
(1) Property Taxes .... $ ______
(2) Other Taxes .... $ ______
(F) Snowmaking: (1) Labor .... $ ______
(2) Power/Fuel .... $ ______
(3) Maintenance .... $ ______
(4) Other (Water, etc.) .... $ ______
(G) Snow removal .... $ ______
(H) Miscellaneous .... $ ______
(I) Depreciation and Amortization .... $ ______

OPERATING PROFIT (LOSS) .... $ ______

Less: Interest Expense .... $

PROFIT (LOSS) Before Income Taxes .... $

Balance Sheet Information (as of ____________________ 1980)
(See **Definitions 21-29**)

Please make sure total assets equal total liabilities + net worth. Otherwise the data cannot be used.

	(Round to Nearest $1,000) **1980**
Assets	
a. Current Assets	$ ____________
b. Gross Fixed Assets (Undepreciated Cost Excluding Land Held for Resale and Overnight Accommodations)	____________
c. Less Accumulated Depreciation	(____________)
d. Other Assets (Including Land Held for Resale and Overnight Accommodations)	____________
TOTAL ASSETS	$ ____________*
Liabilities and Net Worth	
e. Current Liabilities	$ ____________
f. Long Term Debt	
1. Senior Long Term Debt (Secured by Mortgages, Chattels, etc.)	____________
2. Subordinated Debt	____________
g. Deferred Taxes	____________
h. Other Liabilities	____________
i. Net Worth	
1. Invested Capital	____________
2. Retained Earnings (Loss)	____________
TOTAL LIABILITIES AND NET WORTH	$ ____________*

*Please make sure that these two figures are the same.

Finally, what comments do you have on the annual economic survey? What would you like to see added or dropped? What suggestions can you make to improve it?

____

____

____

Thank you for your cooperation

Please return the questionnaire to:
Business Research Division
University of Colorado
Campus Box 420
Boulder, Colorado 80309

APPENDIX C

DEFINITION OF TERMS

The definitions of terms utilized throughout the report were developed primarily by the National Ski Area Association's Economic Study Committee. Definitions are given below together with a brief explanation of the usage of the information.

1. Season–the inclusive months during which a ski area is open each season.

2. Fiscal Year–the month in which an area closes its books.

3. Type of Lifts–for purposes of this study are categorized as surface, chair, or gondola.

4. Year Lift First Operated–year when the lifts were first installed and operated. Provides a rough measure of capital investment in the industry over time.

5. Vertical Drop–the vertical distance from the top to the bottom of the slope for a particular lift.

6. Uphill Capacity–the manufacturers rated number of skiers per hour a lift can transport to the top of the slope. An area's capacity is the sum of the individual lifts.

7. VTF/Hour (Vertical Transport Feet Per Hour)–the product of the vertical drop of a lift times the lift manufacturers rated skiers per hour capacity.

8. Day Skier Area–area at which overnight, dining and after-ski facilities are limited since the area primarily serves a day skier market.

9. Weekend Skier Area–area with substantial overnight accommodations and a variety of dining and entertainment but which primarily serves skiers who stay for a weekend.

10. Vacation Skier Area–area which primarily serves the skier who stays longer than a weekend.

11. Weekend Only Area–area which is open only on weekends.

12. Skier-Visit–one person visiting a ski area for all or any part of a day or night for the purpose of skiing. This is the total number of lift tickets issued. Skier-visits include full-day, half-day, night, complimentary, adult, child, season and any other ticket types that give a skier the use of an area's facilities. Where single rides or coupon books are an important source of revenue, equivalent skier-visits are computed from these sources. Each ticket sold for night skiing is included as a skier-visit. Skier-visits is an actual count and includes season ticket use.

13. Standard Metropolitan Statistical Area (SMSA)--an incorporated area with a nucleus of at least one city of 50,000 inhabitants or more (or "twin cities" with a combined population of at least 50,000).

14. Slope Transport Feet–a method for prorating winter-sport uphill facility capacity on the basis of land ownership. The multiplication of (1) the capacity of each lift times (2) the slope distance traveled by that lift through each ownership (private or U.S. Forest Service). These factors are added for each ownership and the percentage they bear to the total is determined. The resulting percentages reflect by ownership the weighted capacity of the lifts.

15. Revenue–the total revenue derived from ski area operations including ski lifts, ski school, cafeteria, ski shop, equipment rentals, accommodations, and real estate. It also includes concession income from leased operations.

16. Direct Labor–total employees' salaries and wages.

17. Other Direct Expense–any other costs directly related to the particular activity (excluding depreciation).

18. Gross Margin–the revenue available to cover other expenses after direct expenses have been deducted.

19. Insurance–includes both insurance premiums and self-insured losses or deductible losses paid during the twelve month period.

20. Profit (Loss) Before Income Tax–net income derived from all area operations after direct and other expenses have been deducted from total revenue.

21. Current Assets–assets such as cash, inventories, prepaid expenses, accounts receivable, or other items which will convert to cash in the normal course of business within one year.

22. Gross Fixed Assets (GFA)–the total of the original undepreciated cost (not present value) of the improvements and fixtures plus the cost of equipment necessary to generate sales and other income such as day buildings, lifts, equipment, investment in trails, parking, etc., less cost of equipment disposed of. Fixed assets are shown at original cost including additions, but prior to any allowances for depreciation and/or amortization.

23. Depreciation–the cumulative sum of depreciation of gross fixed assets. Indicates the extent to which an area's assets have been written off. Should not include any depreciation on assets previously disposed of.

24. Other Assets–any assets other than current or gross fixed assets. Includes land held for resale as well as overnight accommodations.

25. Current Liabilities–liabilities such as accounts payable, accrued wages, accrued payroll taxes and portions of loans or long term debt due within one year.

26. Long Term Senior Debt—borrowings with repayment scheduled more than one year in the future that are secured by some claim to property or equipment in the event of nonpayment.

27. Long Term Subordinated Debt—all borrowing with repayment scheduled more than one year in the future and where the lender has no claim to a specific asset upon liquidation and/or subordinated in terms of priority of payment to other creditors.

28. Invested Capital—the original ownership investment (amount received for stock, partnership or proprietorship interest), plus any new equity funds raised from sources other than earnings.

29. Retained Earnings (Loss)—cumulative earned surplus or loss from annual operations.

Economic Ratios

30. Ski Area Capacity—is defined as those numbers of skiers that a given ski area can comfortably support on the slopes, lifts and in the base and mountain warming buildings without over-crowding or those that may be accommodated at one time and still preserve a congenial environment. A ski area's comfortable capacity is some function of VTF/hour, scope of skiing, and difficulty of terrain, as well as a reflection of the various abilities of the skiers. Ski area capacity is a judgment. In this report it is calculated by assuming a specific VTF/hour demand that varies by geographic region.

31. Operating Profit—is defined as profit before income tax and interest expense. These two expenses vary according to the capital structure and past operations history. Operating Profit is a more precise way of measuring economic variations due to operating experience and seasonal fluctuations and allows for the comparison of ski areas with varying capital structures.

32. Utilization—is measured in percent of capacity. Capacity is the product of a ski area's capacity times its days of operation. Utilization compares actual skier visits to calculated ceiling season capacity.

33. Capital Cost (GFA)/Capacity Ratio—is the ratio between the cost to construct the ski area and its ability to handle skiers. As such for any given point in time it is a rough measure of the site and design efficiency.

34. Operating Cost/Capacity Ratio—is the ratio between cash operating costs (excluding depreciation and interest) and the ceiling season skier capacity (ski area capacity times length of season). Note that since methods used in the presentation of the average area's income statement exclude any and all direct operating expenses for supporting departments that they too are excluded from this ratio. This ratio is a measure of the operating efficiency of a ski area. It is expressed in dollars per skier visit of seasonal capacity.

35. Total Revenue Per Skier Visit–is the gross dollars actually received from each skier for each visit from ski lifts ticket sales, plus the net margin from each supporting activity. It is calculated by dividing total revenue by actual skier visits.

36. Days/nights of Operation–is measured in "equivalent" days/nights where full weight is given to days and nights where all facilities are open; 75 percent to days where less than full but more than one-half of the mountain is open and skiable; and 25 percent to days where less than half of the mountain is open and skiable.

APPENDIX D

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